

Additional Restrictions Grant and Top Up Payment

Final Decision-Maker	Economic, Regeneration and Leisure Committee
Lead Head of Service	Stephen McGinnes, Mid Kent Services Director
Lead Officer and Report Author	John Foster, Head of Regeneration and Economic Development.
Classification	Public
Wards affected	All

Executive Summary

To update the Committee on the delivery of the Additional Restrictions Grant (ARG) Scheme and the Council's approach to managing the further grant award, announced in December, to support businesses severely impacted by the Omicron variant.

Purpose of Report

Noting

This report makes the following recommendations to this Committee:

1. To note the progress on the delivery of the ARG Grant Scheme.
2. To note the Government's additional funding allocation, announced in December, to support businesses severely impacted by the Omicron variant.

Timetable

Meeting	Date
Economic, Regeneration and Leisure Committee	15 February 2022

Additional Restrictions Grant and Top Up Payment

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> • Embracing Growth and Enabling Infrastructure • Safe, Clean and Green • Homes and Communities • A Thriving Place <p>Accepting the recommendations will materially improve the Council's ability to achieve a Thriving Place.</p>	Head of Regeneration and Economic Development
Cross Cutting Objectives	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> • Heritage is Respected • Health Inequalities are Addressed and Reduced • Deprivation and Social Mobility is Improved • Biodiversity and Environmental Sustainability is respected <p>The report recommendation supports the achievement of the Deprivation and Social Mobility cross cutting objectives by supporting local businesses and jobs.</p>	Head of Regeneration and Economic Development
Risk Management	Refer to section 5 of the report.	Head of Regeneration and Economic Development
Financial	Additional funding of £339k has been provided by government for the purpose of discretionary business grants with the funding to be spent by 31 March 2022. It has been confirmed that additional resource can be	Director of Finance and Business Improvement

	funded by the new burdens funding allocated by government to cover additional expenses incurred by the council in relation to the administration of the grant scheme.	
Staffing	The new burdens funding referred to above enabled the recruitment of 2 additional members of staff on fixed term contracts, the continuation of 1 member of staff employed to administer earlier ARG rounds and an Agency, which has provided the necessary support to the team to enable the project to be managed effectively. No further additional staff are required to deliver the award announced in December.	Head of Regeneration and Economic Development
Legal	Payment of grant by Government to a Local Authority is established under s31 of the Local Government Act 2003. This also enables control over the amount and manner of payments. Criteria are set out within Additional Restrictions Grant Guidance for Local Authorities updated 20/01/22.	Corporate Governance Team Leader
Privacy and Data Protection	Accepting the recommendations will increase the volume of data held by the Council. We will hold that data in line with our retention schedules.	Policy and Information Team
Equalities	No impact identified	Policy and Information Team
Public Health	We recognise that the recommendations will not negatively impact on population health or that of individuals.	Head of Regeneration and Economic Development
Crime and Disorder	We recognise that the recommendations will not negatively impact on Crime and Disorder.	Head of Regeneration and Economic Development
Procurement	No impact identified	Head of Regeneration and Economic Development

Biodiversity and Climate Change	The implications of this report on biodiversity and climate change have been considered and it is noted that business development/growth may impact on increased energy consumption and increased emissions from additional transportation. Future business development should be aligned with the Kent and Medway Energy and Low Emissions Strategy and seek low carbon transportation options and alternative energy solutions.	Biodiversity & Climate Change Manager
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2. INTRODUCTION AND BACKGROUND

- 2.1 In September 2021, ERL Committee approved the Additional Restrictions Grant Top Up Policy, and requested a report be brought back to the Committee in 6 months for review. All payments to eligible businesses must be made by the end of March 2022 to benefit from the £1.35m grant fund.
- 2.2 On the 21st December 2021 the Government announced a further ARG allocation of £339k. This fund is still intended to provide direct business grants and wider business support to those severely impacted by the coronavirus restrictions and the rise of the Omicron Variant. The end of March 2022 deadline applies too. It will therefore be delivered under the Council's existing approved ARG Policy.
- 2.3 The policy states that to be considered for funding, businesses based in the Maidstone Borough, severely impacted by coronavirus restrictions, need to fall into one of the following categories:
- Category A – Diversification & Growth of Maidstone based businesses
- Category B – Strategic importance
- Category C – Resilience Fund – Targeted at hospitality and leisure businesses who have been significantly impacted by the pandemic.
- 2.4 ERL Committee also approved a new proactive approach to delivery. It was proposed that new burdens funding would be used to recruit business advisors who would approach and engage businesses offering an insight into the wider business support programmes available and signpost accordingly.
- 2.5 Under the banner of Maidstone Business Boost (MBB), business advisors complete a diagnostic assessment so that the full range of support available to them is understood and sign businesses up to receive future newsletters and social media updates. If businesses are believed to be eligible for the ARG Top Up grant an assessment is made to determine the level of the award and the business must confirm they are eligible for it in line with government guidance- the award is then paid.

It was expected that:

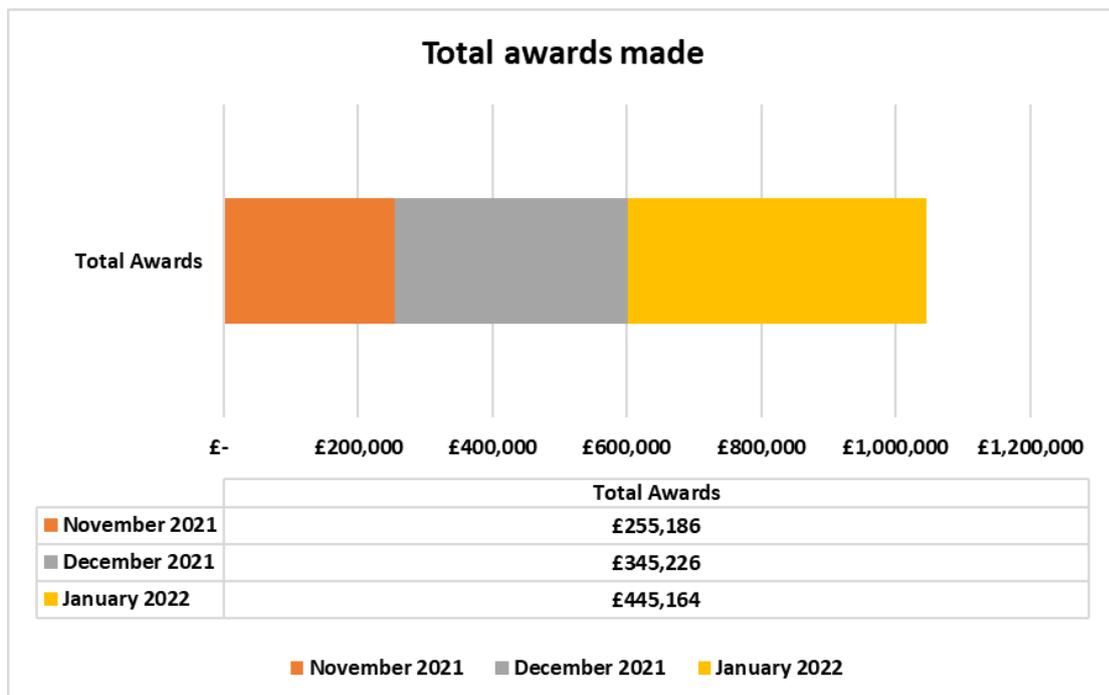
- Approaching businesses proactively will engage new businesses.
- Awareness of support (financial & non-financial) will increase.
- Take up of support (financial & non-financial) will improve.
- Value of MBC 'support' leveraged.
- Database for future communications enhanced.
- Expectations of receiving additional funding managed correctly.
- Strategic approach to delivering the Top Up grant to achieve maximum impact from the available funding for the benefit of the local economy.

2.6 Progress to date:

MBB Performance Summary – 31/01/22		Total Funding Allocation	£1,694,023
% Funds awarded	62%	Total Awards made	£1,045,576
% Time elapsed	60%	Payments pending	£65,676
On track?	Yes	Funding remaining	£582,771

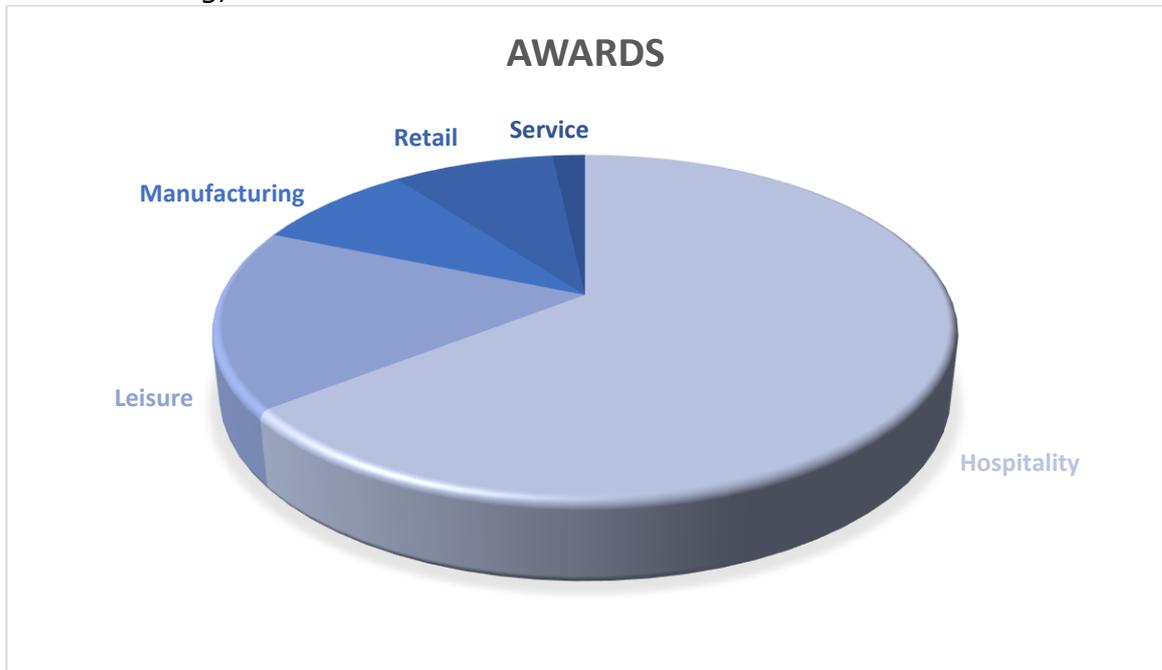
ARG Spend by Allocation		Funding Spend	%
Original ARG 5 Allocation	£1,355,082	£1,045,576	77%
Top up ARG Allocation	£338,941	£0	0%

Additional database sign ups	292	Diagnostics completed	237	ARG Awards made	70
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2.7 Sector breakdown

- Broken into broad sectors; 10 x Leisure, 38 x Hospitality, 5 x Retail, 5 x Manufacturing, 1 x Service. Retailer is also a manufacturer.



2.8 Wider benefits of Maidstone Business Boost

- We have supported 11 independent start-ups locating in the town through Cat A including new Lockmeadow tenants. Fremlins Walk, The Mall and Royal Star Arcade are actively promoting to prospective tenants for their currently empty units.
- A particularly good result has been connecting the West Tree Boxing Club, who were about to lose their training home, with the YMCA who have agreed to host the Boxing Club from March 2022.
- In addition to the allocated ARG funds we have also signposted the following:
 - 66 companies to WSX marketing courses and grants (SELEP funded)
 - 35 companies to LoCASE grant scheme and a trial electric Van (ERDF funded)
 - 3 companies with specialist financial information
 - 34 have registered for Kickstart placements
 - 33 companies to South East Business Boost grant scheme (ERDF funded)
 - 22 companies are progressing KCCs C-Care training and voucher scheme (ERDF funded)
 - 7 companies are looking at Manufacturing growth support and funding (ERDF funded)
 - 5 have received dedicated marketing advice
 - 7 companies are eligible for Transport and Logistics Efficiency grant scheme (ERDF funded)

- 3 companies to iConstruct (ERDF funded)
- 2 companies to the REVS vehicle trial scheme (ERDF funded)
- 1 Agricultural business to rural support (Gov funded)

2.9 We will monitor the success of these applications at the end of the Maidstone Business Boost programme but if all were progressed and successful the cumulative support to the businesses could be excess of £350,000 plus the legacy of potentially 34 jobs through kickstart and marketing and financial skills.

2.10 We have also added 217 companies to our database.

2.11 The team are confident that the balance of the available funds will be awarded to businesses by the end of March deadline, as there are a healthy pipeline of eligible businesses and interest remains high.

2.12 These awards have made a significant difference to the ability of some local businesses to keep trading. A sample of the letters of thanks from local businesses is set out in Appendix 1.

3 AVAILABLE OPTIONS

3.1 The report is for noting.

4. RISK

4.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

5.1 In September 2021 ERL Committee resolved that the Additional Restrictions Grant Top Up Policy be approved, and a report brought back to the Committee in 6 months for review.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 Press release and social media posts have promoted The Maidstone Business Boost programme. Contact details for MBB is available on the Council's website and Business in Maidstone websites. Newsletters have been sent to out to businesses on the Council's business database. The Kent and Medway Growth Hub and business membership organisations have been made aware of the MBB programme.
- 6.2 The Economic Development Team and MBB advisors continue to proactively approach businesses believed to be eligible for support and receive referrals from the Council's Business Rates staff.
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7. REPORT APPENDICES

- Appendix 1: Letters of Thanks from Businesses
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8. BACKGROUND PAPERS

None