



City of Westminster Cabinet Member Report

Decision Maker:	Cllr Paul Swaddle, Cabinet Member for Finance and Smart City
Date:	3 September 2021
Classification:	General Release
Title:	Additional Restrictions Grant (ARG) Scheme – Tranche 3 Proposal
Wards Affected:	All
Financial Summary:	The cost of the Additional Restrictions Grant scheme will be met from fixed funding allocations from central government. There will be no financial implications for the City Council.
Report of:	Debbie Jackson, Executive Director – Growth, Planning & Housing Gerald Almeroth, Executive Director – Finance & resources

1. Executive Summary

- 1.1 This report seeks approval of a proposal to support businesses within the borough considered most impacted by the Government's four-week extension to lockdown restrictions (from 21st June – 19th July 2021) through the third tranche of Additional Restrictions Grant (ARG) funding.
- 1.2 The Council has discretion to use ARG funding as it sees fit to provide financial support to local businesses. The recommendation within this report aligns with central government's latest guidance and has identified the most locally impacted business categories within the borough.
- 1.3 The City Council has now received its latest and final ARG funding allocation from BEIS totalling £9.1m. A separate Cabinet Member report will follow at a later date with a recommendation for the fourth round of the scheme to cover the remaining funding after round 3 has been closed. All ARG funding must be spent by 31 March 2022.

2. Recommendation

- 2.1 That the proposal to support businesses most impacted by the government's four-week extended lockdown restrictions (from 21st June – 19th July 2021), as outlined in Section 5 of this report, are approved.

3. Reasons for Decision

- 3.1 The proposal outlined in section 5 of this report seeks to provide crucial support to those business groups who are considered to be most impacted within the borough by the four-week extension to lockdown restrictions for the period between 21st June – 19th July 2021. This is in line with the government's request that local authorities support these businesses within the third tranche of funding that they have been allocated.

4. Context & Current Position

- 4.1 BEIS have issued top-up funding allocations to all local authorities in England who were able to demonstrate complete exhaustion of their second funding envelope by 30th July 2021. The City Council received the third tranche of funding on 2 August 2021, totalling £9.1m as a top-up allocation to the previous £7.5m ARG funding envelope.
- 4.2 BEIS have issued revised guidance (dated 16th June 2021) to all local authorities ahead of allocating the third tranche of funding, for consideration by local authorities in the development of their ARG schemes.
- 4.3 Whilst Westminster's total funding allocation for the third tranche is £9.1m, the total amount of available funds for the third round of ARG is circa £7.5m due to committed expenditure from Round 2 of the scheme needing to be off-set against the third funding envelope.

5. The Proposals

- 5.1 It is proposed that the City Council apportions a percentage of the funds from the third ARG funding envelope, to support the business groups in the borough that are considered to have been most severely impacted by the extended restrictions imposed by central government from the period of 21st June - 19th July 2021.
- 5.2 Whilst the criteria for payments under the ARG scheme remains at the sole discretion of local authorities, the revised guidance asks local government to consider the following businesses within paragraph 28 of the new guidance:
- "Local authorities are encouraged to focus their support on those sectors that remain closed or are severely impacted by the extended restrictions, even if those businesses have already been in receipt of Restart grants. There are no restrictions on the number of grants a business may receive. This may include, but is not limited to, the travel and tourism sector, including group travel, travel agents and tour operators, wedding industries, nightclubs,*

theatres, event industries, wholesalers, English language schools, breweries, freelance and mobile businesses (including caterers, events, hair, beauty, and wedding related businesses), and other businesses that may have not received other grant funding. This list is not directive nor exhaustive, and local authorities should continue to issue grants at their discretion, based on local economic needs”.

- 5.3 It is therefore proposed that the City Council support the following business groups, in accordance with the guidance issued by BEIS:
- Travel and Tourism Sectors (*the travel and tourism sector, including group travel, travel agents and tour operators, tourist attractions, but not souvenir shops*)
 - Wedding Industries
 - Nightclubs (including sexual entertainment venues)
 - Theatres
 - GLA registered grass roots Music Venues (main business is as a music venue)
 - English Language Schools
 - Breweries
- 5.4 It is proposed that only ratepayer businesses that have previously been validated for a business support grant, which have a main business that has been validated previously as falling within one of the above categories, should be eligible for the third round of the ARG scheme. These businesses will already be registered on the City Council's Business Rates system, this will make due diligence checks much simpler and therefore minimise the chances of fraudulent activity taking place.
- 5.5 The following potential business categories from the government's guidance have not been proposed for this Tranche of ARG funding:
- Event industries – as these businesses were specifically supported in ARG Tranche 2
 - Wholesalers – this is too difficult to define within business use and the businesses are likely to have business properties outside of the borough
 - Freelance and mobile businesses – these businesses have previously been supported by the Council's Discretionary Grant Fund and by ARG or usually do not have specific business property overheads.
- 5.5 The Council has records of businesses that have previously been granted Business Support grants relating to theatres, nightclubs, and grass roots music venues, as the properties are identified through specific Valuation Office property category codes. Therefore, these grants can be paid without a further application process. Unfortunately, the other categories listed in

section 5.3 of this report are not easily identified from the Council's records. Therefore, these types of business will be addressed via a simple on-line application process.

- 5.6 It is proposed that a maximum of £4m of the remaining £7.5m funding pot is ring-fenced to be administered in grants to the above business groups. Based on an estimate of the number of potentially eligible businesses, it is considered that the following values of grant can be paid (based on rateable value range)

Rateable Value	Proposed Grant
500,000 +	£40,000
200,000 – 499,999	£30,000
Up to 199,999	£20,000

It is anticipated that the above levels, will ensure that the maximum limit of £4m is not exceeded. If this assumption is incorrect, the allocation of grants will be made on a first come, first served basis up to the point the limit is reached, after which applications will be declined

- 5.7 In the event that the full £4m is not absorbed in the allocation of grants to the above business groups, any surplus from this ringfenced amount can be plugged back into the remaining funding envelope, use of which will be set out in a subsequent Cabinet Member Report.

6. Financial Implications

- 6.1 The ARG grant scheme is funded by fixed allocations of central government funding. The Council's proposals for the discretionary scheme as outlined in this report will ensure that the funding envelope is not overspent. Therefore, there will be no direct impact on the Council's financial position.
- 6.2 The government have committed to provide New Burdens funding to assist with the cost of administering this scheme.

7. Legal Implications

- 7.1 Localised restrictions are legally binding restrictions imposed on specific Local Authority areas or multiple Local Authority areas, where the Secretary of State for Health and Social Care requires the closure of businesses in a local area under regulations made using powers in Part 2A of the Public Health (Control of Disease) Act 1984 in response to the threat posed by coronavirus and commonly as part of a wider set of measures.
- 7.2 The grant scheme outlined in this report offers support to businesses that have been required to close or have been severely impacted because of the formal publication of such local restrictions. The exercise of discretion for

Local Authorities making payments under these grants is outlined within the report and the recommended proposals in Section 5 are in line with the latest guidance issued by BEIS dated the 16th June 2021.

8. Ward Member Consultation

- 8.1 This report relates to all Wards and there is therefore no requirement for separate Ward Member consultation.

9. Outstanding Issues

- 9.1 There are no outstanding issues.

If you have any queries about this report, please contact:

Rachel Thevanesan, Business Support Programme Manager
rthevanesan@westminster.gov.uk

City Solicitors authorisation memorandum dated 20 July 2018 (Confidential)
For completion by the **Cabinet Member for Finance and Smart City**

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: _____ Date: _____

NAME: **Councillor Paul Swaddle**

State nature of interest if any

.....
(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled

Additional Restrictions Grant (ARG) Scheme – Tranche 3 Proposal

and reject any alternative options which are referred to but not recommended.

Signed

Cabinet Member for Finance and Smart City

Date

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:
.....

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Head of Legal & Democratic Services, Chief Operating Officer and, if there are resources implications, the Director of Human Resources (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.