

## Report to Cabinet

25<sup>th</sup> March 2021

By the Cabinet Member for Local Economy & Parking  
and Finance & Assets

**DECISION REQUIRED**



**Horsham  
District  
Council**

Not Exempt

### **Use of Additional Restrictions Grant for Projects to Assist Economic Recovery**

#### **Executive Summary**

This report asks Cabinet to seek a budget from Council to spend Additional Restrictions Grant money not needed for the Discretionary Business Grants scheme to use on projects to encourage the restart and success of businesses in Horsham District. The report seeks a delegation from Council to the Director of Corporate Resources, in consultation the Cabinet Lead for Finance & Assets and Local Economy and Parking, the Chairman of Overview & Scrutiny and the Leader of the Council, to allocate funding to projects that will encourage this restart and success of our businesses.

#### **Recommendations**

That the Cabinet is recommended to ask Council to:

- i) Set up a budget for projects to encourage the restart and success of businesses in Horsham District for a value that, combined with spend on Discretionary Grants, is equivalent to the total of the Additional Restrictions Grant and any subsequent additions the Government makes to it.
- ii) Delegate to the Director of Corporate Resources, in consultation the Cabinet Lead for Finance & Assets and Local Economy and Parking, the Chairman of Overview & Scrutiny and the Leader of the Council the allocation of this projects budget to projects proposed by officers of the County, District and Parish Councils when supported by an adequate business case and delivery plan that can be met before 31 March 2022.
- iii) Approve the allocation of funds for the four projects outlined in paragraph 3.3.

#### **Reasons for Recommendations**

- i) A budget to spend this money on anything other than grants direct to businesses is needed for the Council to operate within its Constitution.
- ii) A delegation is needed to ensure we can identify and approve projects at speed to maximise the benefit our economy obtains from this Government grant.

- iii) Council approving these projects is the quickest way to get funding into these projects because using the delegation would need further discussion.

## **Background Papers**

Guidance from the Department for Business, Energy and Industrial Strategy on the use of Additional Restrictions Grant

**Wards affected:** all

**Contact:** Jane Eaton, Director of Corporate Resources, telephone 01403 215300.

## Background Information

### 1. Introduction and Background

- 1.1. The Department for Business, Energy and Industrial Strategy (BEIS) introduced the Additional Restrictions Grant from November 2020 to provide support for the local economy and businesses not covered by Local Restrictions Grants. BEIS based its allocations on £20 a head of population. The Council's allocation was £4.153m to cover all lockdowns until 31 March 2022. In his budget of 3 March 2021 the Chancellor announced Government would give further money as Additional Restrictions Grant. On 9 March 2021, at a briefing, BEIS told Councils they will only release this money when the remainder is spent. BEIS said Councils should not hold grant back for needs later in the year. BEIS has said it will issue guidance in the week beginning 22 March 2021.
- 1.2. West Sussex Councils drafted and agreed a county wide discretionary scheme for allocation on this money to businesses. This scheme gave businesses the same contributions to their property costs for the same level of losses as businesses receive from the Local Restrictions Grants if they pay business rates. These are mostly businesses that do not pay business rates but work from a shared workspace or are home-based businesses. The scheme also provided support to businesses not forced to close by Government restrictions but suffered a significant loss of income due to the restrictions. The Chief Executive approved this scheme under his emergency powers in November 2020 to allow us to pay businesses quickly. The Chief Executive told Council about his decision at its meeting on 9 December 2020.
- 1.3. The Council has made four tranches of payments of Additional Restrictions Grants this winter: November 2020 lockdown, December tier restrictions, full lockdown from January 2021 to mid-February 2021 and most recently a grant to cover the period mid-February 2021 to 31 March 2021.
- 1.4. At 14 March 2021 £3.052m was uncommitted. The Council's Business Rates adviser suggests she will need around £1.5m to cover the remaining lockdown periods.
- 1.5. The Council can use this grant in any way that provides business support including for projects to assist the recovery of businesses including projects and staffing for those projects. But the grants cannot be used to give business rate holidays to businesses not covered by businesses not included in the retail, leisure and hospitality schemes.
- 1.6. Money from this grant must be spent by 31 March 2022. This will restrict the type of projects the Council can use the money for. It also means Council needs to set up a scheme to fast track decisions to undertake projects. Waiting for the next Council meeting to set up a budget is likely, in most cases, to be too slow.
- 1.7. The Government expects us to return any money not spent by 31 March 2022.

## 2. Relevant Council policy

- 2.1. These projects would support the Council returning to a thriving economy. A thriving economy is one of the five key themes of the Corporate Plan.

## 3. Details

- 3.1. Although funding is available for this work there is no budget. Council will need to set up a budget to fund projects.
- 3.2. To access the budget this report recommends a delegation proposed to allow swift decisions and implementation of these projects. This delegation is to the Director of Corporate Resources, as the officer with the closest knowledge of the residual levels of remaining grant, in consultation the Cabinet Lead for Finance & Assets and Local Economy and Parking; the Chairman of Overview & Scrutiny and the Leader of the Council. The Director will send updates to all other Councillors when projects are agreed and consult them on projects in their wards.
- 3.3. The Economic Development Team has four existing projects where extra funding would further help our businesses:

	Funding in Place	Additional Funds Required
Virtual Tours	£9,000	£16,000
LEAP Recovery Fund	£20,000	£50,000
Pop Up Horsham	£32,000	£58,000
Henfield Artisan Market	£1,800	£9,200
Total	£62,800	£133,200

- 3.4. This reports recommends Council approves these schemes.
- 3.5. Horsham and County officers are looking into further schemes including:
- Further extensions of Rural Vouchers or other schemes to speed up the roll out of gigabit in rural areas.
  - Roll out of gigabit enabled full fibre to our industrial estates.
  - Establishment of shared workspaces for start-up businesses.
  - Subsidised food hygiene courses for start-ups.
  - Creating an anchor use to encourage people into the town centre
  - Supporting an existing anchor use that may need support to stay open and provide knock on benefits to other economic activity, e.g, Everyman Cinema, Markets.
  - Business support for start ups
  - Funding short term posts
- 3.6. For projects involving major capital works delivery within the limited timescales is challenging and may exclude some of the larger schemes.

## **4. Next Steps**

- 4.1. Officers will prepare business cases for their projects for approval. The Director, in consultation with the listed Councillors, will approve projects. The Director will report to all Councillors progress made.
- 4.2. Should the BEIS guidance issued in the week beginning 22 March 2021 require change there may be a need to halt this proposal or seek amendments from Cabinet and Council.

## **5. Views of the Policy Development Advisory Group and Outcome of Consultations**

- 5.1. The Cabinet Member consulted the Economic Development and Parking Policy Development Advisory Group on 10 March 2021. The group made suggestions for the consultees in the delegation and welcomed an approach that allowed swift spend of this money. The Group suggested ideas of projects. The Economic Development team will take these ideas forward where appropriate.
- 5.2. The Senior Leadership team support the proposal. The Monitoring Officer, Section 151 Officer, Director of Place, the Head of Finance and Performance, and the Service Delivery Manager (Business Rates) have reviewed and commented on this report.

## **6. Other Courses of Action Considered but Rejected**

- 6.1. We considered leaving each project for approval at Council. However, the lead in time for Council with a short window in which to spend the money, meant this was impractical.
- 6.2. We considered delegating to officers without Councillor involvement or using the Chief Executive's emergency powers. Although this is legal it would limit local democracy.

## **7. Resource Consequences**

- 7.1. All projects undertaken will be within the envelope of the overall Additional Restriction Grants which is fully funded by Government. There are therefore no direct revenue budget implications from spending the grant money.
- 7.2. Some additional officer time and resource may be required to implement and deliver the projects, but the expectation is that any additional processing related costs would be covered by new burdens grant funding.

## **8. Legal Considerations and Implications**

- 8.1. These actions are covered by the guidance covering the use of Additional Restrictions Grant issued by The Department for Business, Energy and Industrial Strategy. The next guidance is due out the week beginning 22 March 2022.
- 8.2. The Government has issued Local Authorities funding for the cost of the Additional Restrictions Grant under section 31 of the Local Government Act 2003. Local Authorities will be responsible for delivering the funding.

- 8.3. Local Authorities are responsible and accountable for the lawful use of funds under Section 151 of the Local Government Act 1972. The Section 151 Officer within the Local Authority is required to exercise their duties in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance, ensuring their oversight of the proper administration of financial affairs within the Local Authority, including these grants.

## **9. Risk Assessment**

- 9.1. The main risk is a change in the guidance from the Additional Restrictions Grant by BEIS changes and makes these projects not possible. If this occurs we will stop the work.
- 9.2. Any projects agreed will carry all the usual project risks and these will be mitigated by the Managers of each project.
- 9.3. If projects overrun their available money there is a risk the Council will overspend its budget. The Director of Corporate Resources will monitor progress closely to mitigate this and proper project management should ensure this does not happen unreported.
- 9.4. If there is a rush of requests for support under the Discretionary Grants Scheme it is possible the Council will have less money than expected. The Service Delivery Manager for business rates monitors spend each day so this should not happen unexpectedly.

## **10. Procurement implications**

- 10.1. Each project approved will follow the Procurement Code rules for the value of the goods, work or service involved.

## **11. Equalities and Human Rights implications / Public Sector Equality Duty**

- 11.1. Although there is no direct impact on equalities some of the projects may have a positive impact on groups with protected characteristics because they should enhance employment opportunities in the District and may help businesses that people with protected characteristics run.

## **12. Environmental Implications**

- 12.1. Although there is no direct impact on the environment some of the projects may have a positive impact on environmental matters through encouraging local employment and businesses.

## **13. Other Considerations**

- 13.1. Although there is no direct impact on crime and disorder some of the projects may have a positive impact in getting people into work.
- 13.2. There are no obvious Data Protection issues arising from this report.