

PORTFOLIO HOLDER DECISION RECORD SHEET

**Name of decision makers: Cllr
Andrew Williams, Cllr Graeme
Elliot and Cllr Alan Anderson**

**Portfolio: Contracted and
Corporate Services, Finance and
Resources and Planning and
Infrastructure**

Date of Portfolio Holder Decision: 1st November 2021

Title of Decision: Spend of Additional Restriction Grant (ARG)

Decision made and reasons:

The decision to spend part of the latest ARG grant on a range of business support activities.

The aim is to use part of ARG to deliver long term changes that will support the recovery going forward – particularly in the short term in line with the funding deadline rather than short term quick fixes provided through the grants.

It is proposed to allocate an Economic Recovery Fund of £500k for business support activities arising from proposals put forward from the Council's partners on the Economic Recovery Board, and a further £250k to specific recovery activities led by the Council. £610k will be held back in the event of a further lockdown, to be used as cash grants.

The reason is to ensure ARG is spent by 31st March 2022 and is used to provide longer term and sustainable support to businesses.

Reports considered: (here reference can be made to specific documents)

Draft Economic Recovery Plan
Previous PH decision on ARG phase 1

Officers/Councillors/Ward Councillors/Stakeholders Consulted:

Senior Leadership Team
Nigel Howcutt – Assistant Director, Finance
James Doe – Assistant Director, Planning Development and Regeneration
Chris Taylor – Group Manager, Strategic Planning and Regeneration
Gunilla Edwards – Economic Development Consultant to DBC

Deputy Monitoring Officer comments:

In accordance with Government Guidance, local councils have the freedom to determine the eligibility criteria for these grants. However the funding should be used to help businesses that were severely impacted by the lockdown restrictions.

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Compliance with government guidance will be ensured, as financial checks and eligibility criteria will be done prior to awarding the grants.

Section 151 Officer comments:

The allocation of ARG funds will be in line with government grant conditions and will be capped at the level of government grant available.

Implications: The proposed business support will create longer term sustainability and growth of local businesses and improve their resilience to future external shocks.

Risk: Government guidance as to the regulation of the spend, through both the ARG funding prospectus and clarifications issued to local authorities by way of updates and webinar sessions, will be followed in detail. Any external bids for funding will be scrutinised by Finance Officers to ensure eligibility and thus taking the risk out of the proposal.

Value for Money: The spend of the fund on indirect support rather than direct cash grants, will ensure a more targeted approach and longer term sustainability of businesses and therefore providing more value for money.

Options Considered and reasons for rejection:

The option is to offer the whole amount of ARG available to further cash grants to businesses.

The Council has already delivered £4m worth of ARG grants to local businesses and apart from a limited number, most eligible businesses in Dacorum have benefited from the grants. As the funding has to be spent by 31 March 2022, the risk of not being able to issue more grants is substantial, potentially leaving the Council with a large extent of unspent funds which would have to be returned to central government. Therefore this option has been rejected. The proposal in this decision sheet sets out a more targeted approach which ensures value for money and more comprehensive support, providing a longer term sustainability and building up resilience.

Portfolio Holders Signature:

Date:

Details of any interests declared and any dispensations given by the Standards Committee:

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Date Decision Record Sheet received from portfolio holder: 01/11/21

Date Decision Published: 01/11/21

Decision No: PH-017-21

Date of Expiry of Call-In Period: N/A

Date any Call-In received or decision implemented: N/A

BACKGROUND

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The decision is to use the latest ARG grant in part to a range of business support activities. The guidance issued by central government in June 2021 makes it very clear that the grant must be used to support specific businesses, but can also be used to fund a range of business support projects where there is a direct benefit to businesses.

The Council has produced a draft economic recovery plan for the Borough and has initiated the creation of the Economic Recovery Board. The Board includes a range of businesses and organisations such as the Hertfordshire Local Enterprise Partnership (LEP) and West Herts College, with a clear commitment to supporting business recovery and growth. The Board has developed a programme of activities and the ARG fund is proposed to be used to kick start delivery and provide some short term outputs

There is an opportunity to involve the members of the Economic Recovery Board in devising a range of initiatives to support businesses to recover. However as we are still in uncertain times regarding the pandemic, and that it is conceivable that there may possibly be a further lockdown, it is also proposed to retain some of the £1.4M of this latest phase of ARG for this eventuality.

It is worth noting the reputational risk of keeping aside the funding for grants which may not be needed and then having to return the funding to government. The Council has already delivered £4m worth of ARG grants to local businesses under phase 1, and in this next phase of funding, a more targeted approach is required to ensure value for money and more comprehensive support.

An aim of using the funding is to deliver long term changes that will support the recovery going forward – particularly in the short term in line with the funding deadline rather than short term quick fixes provided through the grants.

It is proposed to allocate an Economic Recovery Fund (total £500k) for initiatives and projects put forward by members of the Economic Recovery Board that meet the definition in the guidance to bid into. The value of individual projects to be up to £35k.

Types of project such as;

- Encouraging business to adopt new technologies including but not limited to digital;
- Providing business start-up support
- Supporting companies to access new markets and customers
- General business skills
- Upskilling of workforce to address future skills challenges of the business in order to stay competitive.
- Procurement of dedicated business advice and the allocation of grants to businesses to access specialist advice and support.
- Research, data collection and analysis.

Financial checks and eligibility criteria will be done prior to awarding the grants. DBC will manage the fund bidding process and as covered above, will be subject to checks for compliance against Government guidance on use of ARG funds before approving.

The remainder of the funding is proposed to be spent on specific recovery activities led by DBC (total £250k) that develop business support (training, technology advice, digital improvements to business activity, general business advice, marketing and so on) and action aimed at providing support to residents whose employment has been affected by the Covid19 pandemic.

Finally, a fund for grant allocation in the event of further Covid19-related restrictions (total £610k).

Summary of proposed spend:

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1. Economic Recovery Fund	£500k
2. Specific recovery activities led by the Council	£250k
3. Grant allocation in the event further Covid restrictions	£610k

It is also proposed that criteria for businesses to receive grant be developed and agreed and that payments begin early to avoid a rush to spend as the deadline approaches. The Grant allocation will be reviewed in December 2021 and in the event of no further Covid19 restrictions (such as but not limited to lockdowns), this decision covers the release of this element of the funds for business support activities covered by categories 1 and 2 in the summary table above, to ensure the effective use of the grant to the Borough, and avoid or limit the return of unspent or unallocated funds to central government.