



Report for: Cabinet

Date of Meeting:	18 March 2021
Subject:	Additional Restrictions Grant Policy Revision
Key Decision:	Yes - it affects more than one ward.
Responsible Officer:	Paul Walker - Corporate Director Community.
Portfolio Holder:	Cllr Graham Henson- Leader of the Council and Portfolio Holder for Strategy, Partnerships, Devolution, Customer Service & Regeneration; Cllr Keith Ferry - Deputy Leader of the Council and Portfolio Holder for Business, Property and Leisure; Cllr Adam Swersky - Portfolio Holder Finance and Resources.
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All Wards
Enclosures:	Additional Restrictions Grant Guidance to Local Authorities March 2021. Equalities Impact Assessment (EqIA)

Section 1 – Summary and Recommendations

This report sets out the principles to allocate an additional £2.3m funding for Additional Restrictions Grant (ARG) awarded by Department of Business Energy and Industrial Strategy (BEIS) to support businesses in Harrow

Recommendations:

Cabinet is requested to:

1. Agree to allocate the additional ARG to fund additional activities to support Harrow's businesses, Metropolitan Town Centre, District Centres and Local Centres in accordance with the proposals set out in this report.
2. Delegate authority to Finance Director and Community Corporate Director to allocate funds in accordance with those proposals following consultation with the Portfolio Holder for Finance and Resources, and Portfolio Holder for Planning, Regeneration and Employment, noting that the Corporate Director will then delegate operational authority to the Head of Revenue and Benefits and the Acting Director Economy and Culture to implement.

Reason:

To ensure public funding is allocated in accordance with BEIS Guidance and the Harrow principles set out in this report, and to utilise the additional £2.3m increase to rebuild the Harrow economy.

Section 2 – Report

In December 2020 Cabinet agreed to principles to distribute £5m funding from the Department of Business Energy and Industrial Strategy. Those principles related to the percentage of grant to be awarded, the frequency of payments, the sectors in which businesses operate, the allocation of funds to business support programmes and town centre improvements. Since that decision, BEIS has awarded Harrow Council with an additional £2.3m. This paper sets out options and principles for allocating the additional funding.

Options considered

1. Do nothing: Retain existing policy and just increase the business grants awarded to eligible businesses and to increase the contract value of business support contractors (tied to additional outcomes).
2. Support businesses to protect Harrow's High Streets, safeguarding jobs and laying the foundation for future business growth, through funding HA1 Business Improvement District and legally constituted organisations with a sole remit to promote a District Centre (Traders Associations and District Centre Partnerships).
3. Expand the range of business support programmes, to support the development of local supply chains and address climate change.

The policy adopted by Cabinet in December would continue under all the above options. That policy was to fund businesses in the non-essential retail, hospitality, sports and cultural, services and their suppliers, allocate 5% of the total grant to business support programmes and 2% of the total ARG grant to town centre improvements.

Option 1 however is rejected because it does not enable the council to utilise additional funding to support Harrow's High Streets, enhance the number of businesses supported, or expand the range of business support programmes.

Options 2, 3 and 4 are recommended for the following reasons

1. Support businesses to protect Harrow's High Streets, safeguarding jobs and laying the foundation for future business growth
 - a. The HA1 Business Improvement District represents over 200 businesses in Harrow town centre. The town centre is the commercial heart of Harrow, providing the location of the boroughs major retail, hospitality and office sector. The BID's primary objective is to promote Harrow Town Centre and it does so by implementing an action plan agreed with its members. The delivery of that Action Plan supports the vibrancy of the area, supporting businesses and safeguarding jobs. Since the first lockdown HA1BID has supported Harrow Council's public health, enforcement, and economic development services. This has included promoting public health messages, supporting lateral flow testing, safe trading requirements, business support and employment initiatives. The BID is funded through voluntary contributions and a levy on the business rates which is collected by Harrow Council's Revenue and Benefits service. The measures taken to control Covid 19 and mitigate the economic impact of those measures has adversely affected the ability of businesses to pay the levy on the business rates and therefore HA1's funding. This paper recommends the latest tranche of ARG from BEIS to Harrow Council is used to:
 - Waive the 1% BID Levy on the business rates. Support businesses in Harrow Town Centre by funding the BID company the equivalent of what the BID company would normally have collected from the BID levy payers in 2021/22 had the levy not been waived. Fund the BID company an amount in respect of 2020/21 equivalent to what was not collected and had to be written off as uncollectable as a direct result of the pandemic. This will indirectly support the Town Centre as it reduces the burdens on the businesses which would normally have paid the levies in both 2020/21 & 2021/22, and allows the BID company to be funded to continue with their tasks of improving footfall, cleansing, security and supporting the Council in pandemic specific projects to support public health and a vibrant safe town centre. Allocate ARG funding to HA1BID equal to the uncollected BID levy in 2020/21 and equivalent to the amounts being waived by the Bid company in 2021/22, which is expected to be no more than £143,000 to cover the funding gap in 2020/21 and £332,152 to cover the 2021/22 financial year.

- The Head of Service Revenue and Benefits with Acting Director Economy and Culture will enter into an agreement with HA1BID setting out the conditions of the funding. The agreement will include activities to promote public health measures to reduce the rate of infection, safe trading, employment & business support programmes (for example DWP Kickstart programme and BEIS programmes) and to help build the capacity of Traders Associations to support businesses in Harrow's local and district centres.
- b. Support for traders' associations (or local partnerships where there are no Traders Associations) in Harrow's 15 district and local centre. Harrow's district & local centres provide vital community and commercial hubs. Outside of the Harrow and Wealdstone Opportunity they are the key employment and trading locations for Harrow's businesses. Traders Associations and local partnerships are volunteer led. They are dependent on goodwill, and volunteers and are often supported by local organisations (e.g. schools) and ward councillors. These groups often are excellent stores of local knowledge and connections. This paper recommends
- The provision of £10,000 to each Traders Group to work to develop as organisations that can promote their district centres, increase their membership, build link with local stakeholders, to co-ordinate between themselves activities to promote their High Streets. The development of these bodies would enable businesses in those centres, to build upon existing links with local stakeholders and provide a clear representative voice with which to work with the local authority to support their district centre. (Maximum funding would be £150,000 across the 15 centres, £10,000 per centre).
2. Address issues where businesses have slipped through policy gaps and have not been eligible for a business grant. The key issues identified to date include
- a. Businesses that can no longer trade because the landlord has closed the premises they hire.
 - b. Taxi companies registered as a business in Harrow and not part of a national chain
 - c. Driving instructor companies registered as a business trading in Harrow, and not part of a national chain
 - d. Commercial cleaning companies not part of a national chain with fixed building costs, such as rent
3. Expand the range of business support programmes. This recommends using 5% of the £2.3m towards new provision and increasing the allocation to supporting businesses to trade on-line. That provision will be as follows:
- a. Supply Chain Development to support the upskilling of Harrow businesses to compete for contract opportunities with Harrow Council or with its major contractors.

- b. Support the development of the Harrow's circular economy, developing a self-managing a directory of repair, reuse, and upcycle businesses and social enterprises, and promoting that Directory. Run a competition, inviting applicants to submit sustainable business models to reduce waste.
- c. Implement agreed action plans with HA1BID and traders' associations to fund town centre improvements that will increase business opportunities to trade. This could include (but not limited to marquees, stalls, external generators, markets).

Performance Issues

The ARG Guidance clearly sets out the monitoring framework local authorities must adhere to. The Guidance details the frequency of reports and the content. In addition, the following performance information will be collected and reported to the Leader of the Council and Portfolio Holders identified in this report.

Performance will be monitored as follows

- Number of grants awarded
- Total sum of money awarded
- Business support programmes; number of businesses supported, number of businesses developing an online presence, number of businesses surviving at the 6 month and 12 month stage, number of businesses recording growth (jobs created and or increase in turnover).
- Number of town centre improvements (type to be defined by options appraisal)
- Number of businesses supported in the HA1 BID area.
- Growth in membership of local traders associations and tow, district or local centre partnerships.

Environmental Implications

Protecting local businesses and local jobs, reduces journey to work times and the carbon consumed where cars are used.

Risk Management Implications

Risks included on corporate or directorate risk register? **No**

Separate risk register in place? **No**

The relevant risks contained in the register are summarised below. **N/A**

The following key risks should be taken into account when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
Fraudulent applications from businesses	The ARG sets out the support offered to minimise fraud and mitigate risk. This	Green

Risk Description	Mitigations	RAG Status
	includes the use of Spotlight to support due diligence checks on businesses. However, to further mitigate error cases are also checked using information from Companies House and payments are only made to corresponding trade bank accounts. Time is also allocated in the 20/21 Internal Audit plan to undertake an assurance review of these payments	
Funding is awarded to businesses that have not been unduly affected by the pandemic.	The policy focusses on sectors that have been most affected by the trading restrictions imposed by the pandemic This ensures firstly that grants are not awarded to Harrow businesses not affected by the pandemic. Secondly, that money is awarded to businesses where it will have the greatest impact.	Green
Failure of contractors providing business support and skills programmes to deliver adequate provision.	Contractors are appointed in accordance with procurement process. Post procurement, stringent monitoring regarding both quality of advice/support combined with regular contract performance meetings would ensure delivery according to delivery plan and timescales. This will ensure governance on payment and performance is in place,	Green
The HA1 BID ceases to trade. (Biggest beneficiary of the ARG)	Payment will be in arrears.	Green

Procurement Implications

The business support programme will be broken into discrete strands and procured in accordance with the Contract Procedure Rules and supported by the procurement team.

The town centre improvements will be commissioned by HA1BID and local traders' associations and partnerships. There are no procurement issues. The administration of the grants will be delivered in house and there are no procurement issues.

Legal Implications

The council must comply with any terms and conditions that apply to the ARG award and the associated BEIS Guidance.

So far as relevant, any procurement must comply with the Council's Contract Procedure Rules and Financial Regulations and public procurement rules.

The Council will need to comply with the new UK Subsidy Control Regime..

Financial Implications

Under the Additional Restrictions Grant, Local Authorities have received lump sum payments as LCAL 3 or widespread national restrictions are imposed. Local authorities can use this funding for business support activities and will be responsible for making payments to businesses.

The Additional Restrictions Grant for Harrow agreed in December 2020 Cabinet was allocated as follows.

- £4.673m to businesses
- £250k for business support programmes
- £100k for town centre improvements

The allocation of the additional £2.3m ARG funds will be as follows

- £1,513,848 to businesses
- £150,000 to district and local centre traders' associations or partnerships.
- £475,152 to HA1BID
- £115,000 for business support programmes
- £46,000 for town centre improvements

The distribution of the grant and payments to HA1BID will be administered by Business Rates team & the Economic Development team. Business support programmes and town centre improvements will be delivered solely by the Economic Development team.

As the funding can be used across financial years 2020/21 and 2021/22, any unspent fund as at 31st March 2021 will be carried forward into 2021/22 as part of the 2020/21 year-end closure of account.

Equalities implications / Public Sector Equality Duty

A predictive Equalities Impact Assessment has been undertaken in relation to the policy and is attached.

When making this decision, Cabinet should have due regard to the Public Sector Equality Duty. Section 149 of the Equalities Act 2010 created the Public Sector Equality Duty. Section 149 states:-

- (1) A public authority must, in the exercise of its functions, have due regard to the need to:
 - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The EqIA (Appendix x) shows that potential recipients of support would be small and medium sized businesses, micro-businesses and sole traders, spread across the borough.

The business advice support programmes are tailored to support small businesses and help them pivot their provision to meet the changing economic climate. They will include a Business Diagnostic which will identify the needs of the business owner and sole trader and tailor provision to meet businesses and support needs.

Council Priorities

- 1. Improving the environment and addressing climate change**
- 2. Tackling poverty and inequality**
- 3. Building homes and infrastructure**
- 4. Addressing health and social care inequality**
- 5. Thriving economy**

Supporting the local business base and Harrow's commercial and employment centres reduces journey to shop and work distances, helping to address climate change. Providing grant and business support to businesses to help them survive and grow necessarily supports a Thriving Economy. This in turn helps to safeguard jobs mitigating the impact the pandemic has had in increasing poverty and inequality. There is a strong relationship between physical and mental well-being and employment. The consequence of the

deployment of resources to support businesses and safeguard jobs will be to help safeguard the health have and wellbeing of those supported.

Section 3 - Statutory Officer Clearance

Statutory Officer: Jessie Mann

Signed on behalf of the Chief Financial Officer

Date: 5th February 2021

Statutory Officer: Stephen Dorrian

Signed on behalf of the Monitoring Officer

Date: 4th February 2021

Statutory Officer: Nimesh Mehta

Signed by the Head of Procurement

Date: 12th February 2021

Statutory Officer: Paul Walker

Signed by the Corporate Director

Date: 11th February 2021

Statutory Officer: Susan Dixon

Signed by the Head of Internal Audit

Date: 16th February 2021

Mandatory Checks

Ward Councillors notified: NO, as it impacts on all Wards

EqIA carried out: YES

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EqIA cleared by: Dave Corby

Section 4 - Contact Details and Background Papers

Contact: Mark Billington, Acting Director Economy and Culture,
mark.billington@harrow.gov.uk

Background Papers: None

Call-in waived by the Chair of Overview and Scrutiny Committee

NO