

**Report To:** Cabinet

**Date of Meeting:** 1<sup>st</sup> November 2021

**Report Title:** Additional Restrictions Grant (ARG) Update

**Report By:** Peter Grace, Assistant Director Financial Services and Revenues

**Key Decision:** Yes

**Classification:** Open

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### **Purpose of Report**

To update the group on the ARG spend and to agree how the remaining funds should be spent.

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### **Recommendation(s)**

1. To approve how the remaining ARG funds are to be spent as per the proposals in this report.
2. To authorise the Chief Finance Officer to make any adjustments, as required, in consultation with the lead member for Financial Management and Estates to ensure the remaining available funding is distributed in line with Central Government guidance.

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### **Reasons for Recommendations**

1. With the limited funds remaining, it is vital that we make best use of the money and give assistance where it is most needed.
2. As the level of funding cannot be exceeded, it is important to be able to make changes in a timely manner in order to minimise delays in awarding the remaining financial support.

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## Introduction

1. The Council has received a total of £3,198,875 from central government in respect of Additional Restrictions Grant (ARG).
2. This ARG money has been made available to Councils to be used on a discretionary basis. It was introduced to provide assistance to businesses severely affected by the pandemic but where they had missed out on government support due to the eligibility criteria of the other specific schemes.
3. Whilst the Council has had discretion as to how the money is spent, the Department for Business, Energy & Industrial Strategy (BEIS) did set out criteria which had to be met and the Council's policy was determined in compliance with these requirements.
4. Up until now, the Council has created and approved three separate discretionary schemes i.e. ARG 1, ARG 2, and ARG 3. Each scheme having different eligibility criteria and funding, in order to tailor assistance to local businesses.
5. The Council was able to gain access to additional funding of £522,543 by having distributed 100% of its previous allocation by the 31 July 2021.
6. The total funding received, now amounting to £3,198,875 has to be spent by 31 March 2022 – or returned to government.

## Spend to Date

7. During the first ARG scheme which ran from November 2020 - January 2021, the Council helped 60 businesses, paying out £64,152.
8. The second ARG scheme which ran from March 2021 - July 2021 saw the Council award £948,923 in respect of 137 businesses.
9. The third ARG scheme ran from June 2021 - September 2021 and overlapped with ARG 2. The Council paid out £2,101,257 in respect of 351 businesses.
10. This brings the total spend to £3,114,332, leaving a balance of £84,543 still to be allocated.

## Proposal on Use of Remaining Funds

11. As the remaining funding is very limited, it is proposed that rather than open another application-based scheme, alternative methods should be considered.
12. Firstly, as there are still a few outstanding appeals in respect of ARG 3, where there are ongoing enquiries, it would be appropriate to set aside £20,000 to cover any successful appeals.
13. Secondly, the Business Improvement District (BID), Love Hastings Ltd has struggled with collection of the levy. Arrears for 2020/21 alone currently stand at £76,091. This is understandable as the businesses that are expected to pay have themselves been severely impacted by the pandemic.

14. The advice from BEIS is that provided the BID body is not the local authority or a company under the control of the local authority, the ARG funding may be used to support them with the shortfall in their levy income.
15. Therefore, the second proposal is that £50,000 of the remaining funds are allocated to the BID company to help with the shortfall. The BID Company (Love Hastings) who have sought additional funding have advised that the money would be used to:-  
  
“facilitate a programme of town centre activity over the Christmas period to maximise benefit to retailers at this critical time of year. This would include upgraded Festive lighting plus a series of regular street entertainment... depending on how much was available...”
16. Provided the above two proposals are agreed, that would leave £14,543 in the discretionary pot at present. As the deadline for spending the money is 31 March 2022, it is helpful to have some money, albeit limited, in the discretionary pot over the coming months. For example, where a business which provides local jobs is having severe difficulties which could impact the local economy, some financial assistance could be considered.
17. Any decision to make a payment on the proposal at paragraph 15, should be made by the Chief Finance Officer in consultation with the lead member for Financial Management and Estates with a view to ensuring that the money is fully expended by the 31 March 2022 deadline.

**Applications and information**

18. No formal application process for the grant to the BID is required.

**Review and Appeals**

19. The Council’s normal complaint system will operate.

**Government Reporting**

20. The Council is required to report to the government on a monthly basis of the level of ARG spend.

**Economic/Financial Implications**

21. The grants are fully funded by the government.

**Timetable of Next Steps**

1. Please include a list of key actions and the scheduled dates for these:

Action	Key milestone	Due date (provisional)	Responsible
Cabinet Agenda Planning		18 October	Peter Grace

Cabinet	To determine the use of the remaining funds	1 November 2021	Peter Grace
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## Wards Affected

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## Policy Implications

Reading Ease Score:

Have you used relevant project tools?: Yes

**Please identify if this report contains any implications for the following:**

Equalities and Community Cohesiveness	N
Crime and Fear of Crime (Section 17)	N
Risk Management	N
Environmental Issues & Climate Change	N
Economic/Financial Implications	Yes
Human Rights Act	N
Organisational Consequences	N
Local People's Views	N
Anti-Poverty	N
Legal	N

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## Additional Information

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### Officer to Contact

Peter Grace  
pgrace@hastings.gov.uk  
01424 451503