

Report of the Chief Finance Officer

## **Additional Restrictions Grant (ARG) Restart payments**

### **Summary**

1. On 12<sup>th</sup> November 2020, the Executive Member set the payment levels and criteria for local implementation of the Government's Additional Restrictions Grant (ARG).
2. On 18<sup>th</sup> January 2021 the Executive Member made revisions to the criteria for that scheme and to delegate any future changes due to revised Government guidance *"to the Chief Finance Officer (s151) in consultation with the Executive Member Finance and Performance/Executive Member Economy & Strategic Planning, with changes approved retrospectively in public at the next available Executive Member decision session."*
3. On 17<sup>th</sup> March 2021, Government issued new guidance for ARG funds relating to the Government's Roadmap to Reopening, Restart payments and the draw-down of an additional tranche of funding<sup>1</sup>. This revised guidance urged Local Authorities to pay out any funding remaining from 2020/21 allocations as Restart grants, and provided an additional £1.4m for York, available only once existing funds had been defrayed.
4. On 16<sup>th</sup> April 2021, the Chief Finance Officer, in consultation with the Executive Members for Finance & Performance and Economy & Strategic Planning, took a decision to allocate the remaining ARG funds from the 2020/21 allocation as further Restart grants to businesses that successfully applied for ARG.

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[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/983244/additional-restrictions-grant-guidance-for-la.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/983244/additional-restrictions-grant-guidance-for-la.pdf)

## Recommendations

5. The Executive Member is asked to retrospectively approve in public the decision taken by the Chief Finance Officer in consultation with the Executive Members for Finance & Performance and Economy & Strategic Planning on 16<sup>th</sup> April 2021 as follows:

Using the amounts allocated per 28 day period as agreed on 12<sup>th</sup> November 2020 and 18<sup>th</sup> January 2021, to provide restart grants to businesses on the basis of the Government's Roadmap steps as follows:

- Businesses reopening at Step 1: No further grant (reopening already provided for in grant paid from 1st March to 31st March)
- Businesses reopening at Step 2: One payment of 11 days at the agreed amounts plus a fixed payment of £200 (£396 to those with no premises, £724 - £1,379 for those in premises)
- Businesses reopening at Step 3: One Payment of 46 days at the agreed amounts (£821/£2191-£4,929)
- Businesses reopening at Step 4: One payment of 81 days at the agreed amounts (£1446/£3859-£8,679).

*Reason: To support to York businesses which are affected by the Lockdown restrictions but not eligible for Restart Grant funding.*

## Background

6. York ARG payments for the period November 2020 to 31<sup>st</sup> March 2021 were made using the criteria and amounts agreed by the Executive Member for Finance & Performance in November 2020 and January 2021. These decisions were made prior to the Government's announcement of the Roadmap to Recovery and its 4 steps towards reopening the economy.
7. The Roadmap set out dates of 23<sup>rd</sup> March 2021 (Step 1), 12<sup>th</sup> April 2021 (Step 2), 17<sup>th</sup> May 2021 (Step 3) and 21<sup>st</sup> June 2021 (Step 4) as the earliest dates for various sectors of the economy to reopen. In terms of additional days for ARG payments beyond 31<sup>st</sup> March 2021, these dates would mean a further 11 days for Step 2, 46 days for Step 3 and 81 days for Step 4.
8. At Step 1, only schools and colleges and those businesses entirely in their supply chain were able to reopen. At Step 2, businesses in the retail, individual indoor leisure, outdoor attractions, personal care and self-contained accommodation sectors were able to reopen.

9. Step 3 saw the reopening of indoor entertainment and attractions, events and the full range of accommodation, together with their supply chain. At Step 4, all businesses will be able to reopen.

## Analysis

10. ARG applicants were asked to provide their business sector in the application process, allowing the assignment of each applicant to a reopening step. Of the 1,540 successful applicants, 6 were able to reopen at Step 1 and 537 at Step 2. Step 3 saw a further 959 applicants reopening, leaving just 38 that will be closed until Step 4.
11. By relating these Step by Step reopening to the number of further days of closure, assuming that the Roadmap is followed, we were able to calculate a basis for payment of restart grants as follows:

	Notional reopening date	Additional days shut
Step 1	1 <sup>st</sup> March 2021	0
Step 2	12 <sup>th</sup> April 2021	11
Step 3	17 <sup>th</sup> May 2021	46
Step 4	21 <sup>st</sup> June 2021	81

12. Using the amounts allocated per 28 day period (as agreed in the 18<sup>th</sup> January ARG paper), the following distribution was calculated:
  - Step 1 reopening: No further grant (reopening already provided for in grant paid from 1st March to 31st March)
  - Step 2 reopening: One payment of 11 days amount plus a fixed payment of £200 (£396 to those with no premises, £724 - £1,379 for those in premises)
  - Step 3 reopening: One Payment equating to 46 days amount (£821/£2191-£4929)
  - Step 4 reopening: One payment equating to 81 days amount (£1446/£3859-£8679)
13. This distribution provided payments which reflected the Steps at which businesses can reopen, while ensuring that those reopening at Step 2 received a meaningful amount, given that they would have had only a further 11 days payment due to them. The additional £200 fixed grant for Step 2 businesses ensured that those non-essential retail and personal services businesses reopening on 12 April received at least £396 as a reopening contribution, helping them to restock or adapt for the recommencement of trade.

14. These grant amounts translated into a series of payments as follows:

ARG Allocation	£6,083,291
Spend to 31 March	£4,737,917
Step 2 payments	£270,013
Step 3 payments	£1,062,239
Step 4 payments	£92,109
Total spend	£6,162,278

15. Following payment of the Restart element, the additional £1.4m was thus available for draw-down from Government, as the full previous ARG allocation had been spent. This £1.4m is thus now available to support the reopening of the city centre (£200k currently allocated), further business support measures (£500k allocated to voucher-based support scheme) while also providing further potential budget for direct business support of £600k. Allocation of this remaining budget will be the subject of proposals to Executive.

## **Consultation**

16. In developing these proposals, Officers consulted with the Federation of Small Businesses, Institute of Directors, York BID, Make it York, York Chamber of Commerce, York Food Festival, and the University of York.

## **Implications**

### **Financial**

17. There are no direct financial implications arising from this scheme as it is funded entirely from the Government Additional Resources Grant.

### **Human Resources (HR)**

There are no HR implications.

### **Equalities**

This report will impact on all communities equally.

### **Legal**

No implications

### **Crime and Disorder, Information Technology and Property**

No implications

## Risk Management

21. The key risk associated with this paper is that there is not enough money in both the core and discretionary schemes to provide the level of financial support required by affected businesses in the city during the ongoing covid-19 pandemic.

**Author responsible for the report:**

**Chief Officer responsible for the report:**

Simon Brereton

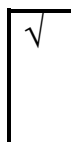
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**Report  
Approved**

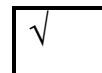


**Date 4/6/21**

**Specialist Implications Officer(s):**

**Wards Affected:**

**All**



**For further information please contact the author of the report**

**Background Papers: None**