

# Briefing Report

To	Cllr Suleman- Chair Economy & Skills O&S Committee
Subject title	Support to businesses - Update to Economy & Skills O&S Committee
Date	6 <sup>th</sup> October 2021

## Purpose of Report

- To provide the Economy & Skills O&S Committee with an update on Additional Restrictions Grant (ARG) business support grants to June 2021.
- To provide details of the new ARG Top-up scheme.

## Background

### **Additional Restrictions Grant (ARG) scheme**

The government allocated a total of £32,979,132 towards the ARG scheme to support businesses, which do not qualify for the various mandatory Local Restrictions Grant Schemes, but have been significantly impacted by lockdown 2, various tier restrictions and lockdown 3.

The scheme opened for applications on 25th November 2020 and closed on 30<sup>th</sup> March 2021 with final payments to made by 30<sup>th</sup> June 2021.

### **Final ARG out turn:**

<b>ARG1 approved</b>	2,744	£4,529,837
<b>ARG2 approved</b>	3,543	£11,113,801
<b>Rejections</b>	1,201	
<b>Total ARG approved</b>	6,222	£15,643,638
<b>£10k One off Scheme- hospitality and leisure sector</b>	330	£3,300,000
<b>£1k taxi sector scheme</b>	3,833	£3,833,000
<b>DBG/SBG payments post 30/9/20 reconciliation</b>		£1,581,000
<b>ARG total</b>	10,385	£24,357,638
<b>LRSG(Closed)Disc (ARG) as @ 30.6.2021</b>	659	£1,483,037

<b>LRSB(Closed)Disc (ARG) payments up to 31.03.2021 to 30.06.2021</b>	603	£3,412,766
<b>ARG total (including LRSB Disc)</b>	11,647	<b>£29,253,441</b>
<b>ARG total allocation</b>		<b>£32,979,132</b>
<b>ARG Top-up</b>		<b>£3,725,691</b>
<b>Total spend</b>		<b>£32,979,132</b>

#### ARG2 analysis

<b>Sector</b>	<b>Approved</b>
<b>Art Gallery, Museum</b>	7
<b>Car Showroom, Car Sales Ground</b>	36
<b>Cinema, Theatre, Concert Hall</b>	8
<b>Commercial training provider</b>	64
<b>Community Centre, Village Hall, Youth Club</b>	60
<b>Conference centre</b>	15
<b>Dentists, Opticians, Vets, Private Medical Care</b>	61
<b>Estate Agents, Managing Agents, Letting Agents</b>	71
<b>Gymnasium</b>	4
<b>Hairdressing Salon, Beauty Treatment Centre</b>	177
<b>Hotel, Guest House, Serviced Apartment</b>	32
<b>Launderette</b>	30
<b>Manufacturing, Industrial, Workshop</b>	353
<b>Market, Market Stall, Street Trader</b>	104
<b>Nightclub, Adult Entertainment Venue</b>	21
<b>Nurseries (children)</b>	37
<b>Office Spaces</b>	64
<b>Other - please give more details</b>	1,620
<b>Pub, Wine Bar, Clubhouse</b>	16
<b>Recruitment Agency</b>	80
<b>Restaurant, Cafés, Coffee Shop</b>	47
<b>Retail Shop, Charity Shop, Wholesale Club, Kiosk, Showroom</b>	318
<b>Solicitors, Accountants, Financial Services</b>	67
<b>Sports Centre, Leisure Centre, Playing Fields, Tennis Courts</b>	53
<b>Storage Centres</b>	12
<b>Supermarket</b>	0

Takeaway	4
Transport Providers, Logistics, House Movers	111
Warehouse	68
Wholesale catering provider	3
<b>Total</b>	<b>3,543</b>

	0-9	10 to 49	50-249	More than 250
Approved	3,257	247	30	9

Ward	Number
Acocks Green	42
Allens Cross	7
Alum Rock	75
Aston	71
Balsall Heath West	55
Bartley Green	19
Billesley	22
Birchfield	14
Bordesley & Highgate	320
Bordesley Green	132
Bournbrook & Selly Park	28
Bournville & Cotteridge	34
Brandwood & King's Heath	53
Bromford & Hodge Hill	37
Castle Vale	18
Druids Heath & Monyhull	17
Edgbaston	78
Erdington	65
Frankley Great Park	13
Garretts Green	31
Glebe Farm & Tile Cross	51
Gravelly Hill	21
Hall Green North	73
Hall Green South	28
Handsworth	29
Handsworth Wood	24

Harborne	50
Heartlands	9
Highter's Heath	14
Holyhead	31
King's Norton North	35
King's Norton South	13
Kingstanding	25
Ladywood	220
Longbridge & West Heath	37
Lozells	33
Moseley	53
Nechells	162
Newtown	114
North Edgbaston	32
Northfield	28
Oscott	41
Perry Barr	53
Perry Common	10
Pype Hayes	39
Quinton	27
Rubery & Rednal	17
Shard End	6
Sheldon	28
Small Heath	46
Soho & Jewellery Quarter	297
South Yardley	24
Sparkbrook & Balsall Heath East	143
Sparkhill	66
Stirchley	45
Stockland Green	36
Sutton Four Oaks	29
Sutton Mere Green	28
Sutton Reddicap	20
Sutton Roughley	24
Sutton Trinity	46
Sutton Vesey	58

<b>Sutton Walmley &amp; Minworth</b>	<b>45</b>
<b>Sutton Wylde Green</b>	<b>22</b>
<b>Tyseley &amp; Hay Mills</b>	<b>101</b>
<b>Ward End</b>	<b>29</b>
<b>Weoley &amp; Selly Oak</b>	<b>17</b>
<b>Yardley East</b>	<b>18</b>
<b>Yardley West &amp; Stechford</b>	<b>15</b>

<b>Constituency</b>	<b>Number</b>
<b>Edgbaston</b>	<b>185</b>
<b>Erdington</b>	<b>200</b>
<b>Hall Green</b>	<b>425</b>
<b>Hodge Hill</b>	<b>247</b>
<b>Ladywood</b>	<b>1,298</b>
<b>Northfield</b>	<b>162</b>
<b>Perry Barr</b>	<b>249</b>
<b>Selly Oak</b>	<b>186</b>
<b>Sutton Coldfield</b>	<b>272</b>
<b>Yardley</b>	<b>319</b>

### **£7m ARG Top-up**

As part of the Budget, the government also announced a further £425 million would be made available to local Authorities through a conditional top-up to the Additional Restrictions Grant.

Local Authorities are able to use ARG funding for business support activities at their discretionary, but funding can also be used for wider business support activities.

However, in order to secure the second ARG top-up grant, Local Authorities had until 30 June 2021 to meet all necessary conditions and prove that they have spent or made a validated attempt to spend 100% of their first two ARG allocations combined.

The funding is provided on a per-business basis to ensure that Local Authorities can target funding fairly and directly at business support.

BCC claim confirming 100% spend of the existing ARG was submitted and dually approved by BEIS. The £7m ARG top-up was subsequently deposited into BCC account.

## **ARG Top-up scheme criteria**

The new ARG top-up scheme opened on 13<sup>th</sup> September 2021

There are two elements to this new scheme:

- **RECOVERY FUND ELEMENT**

The Government's extensive support for business has been invaluable. However, the consensus is that more needs to be done to help SME's operating within the City, which are continuing to struggle financially to survive, recover, retain existing jobs and create new jobs as the economy starts to reopen.

The September 2021 unemployment briefing for Birmingham presents a very bleak picture of the damage that is being caused to the local economy and across all communities. Although the current furlough scheme has been extended to 30th September 2021, there is likely to be a significant increase in unemployment across sectors in the City.

It is essential that these businesses are supported to recover and prevent what would be an unprecedented economic collapse across the City and region.

Clearly the economic landscape across the region has fundamentally shifted: for now, businesses are no longer in a place where they are pursuing growth, investment and creating jobs.

Given this unprecedented downturn, lack of business confidence and cautious consumer demand, it is vital that tangible solutions are made available to businesses to recover. Moreover, this will reduce the impact of redundancies predicted by businesses, lower the strain on public services, limit long term damage to communities and provide a major boost to the City's ability to recover and grow.

## **Aim**

Our overwhelming priority is to improve business confidence, stimulate activity, encourage investment, enable recovery and safeguard existing jobs. Moreover, that there will be no quick return to normality.

## **Eligibility Criteria:**

- Established SMEs
- Open to all business sectors
- Must be seeking to implement a recovery plan showing clearly how they have been impacted by Covid, and how this bid will help their business recover from that impact
- Main trading premises within Birmingham City Council area
- Must be safeguarding existing jobs and potential to create new jobs
- Funding is based on evidence of viability, financial need and is discretionary

- Maximum of one grant per business.

#### **Eligible costs including:**

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>▪ Implementation of COVID-19 related measures</li> <li>▪ New plant and equipment</li> <li>▪ Improvements to systems/production processes/ production layout</li> </ul> | <ul style="list-style-type: none"> <li>▪ Internal refurbishment</li> <li>▪ IT and Digital</li> <li>▪ Diversify and develop new markets</li> <li>▪ New product development.</li> </ul> |
|---|---|

#### **Funding:**

The scheme offers grant funding of £5k - £50k up to 75% of the eligible project costs, which will enable businesses to move from survival to recovery, retain existing jobs and potentially create new jobs.

#### **GBSLEP Growth Hub Support:**

As per all current business support programmes, GBSLEP Growth Hub will signpost and refer SMEs onto the programme. Additionally, where SMEs need help to develop a recovery plan this support will be made available by the Growth Hub Advisers/Account Managers.

#### **Coverage:**

The scheme is opened to SME businesses operating across Birmingham.

#### **• DISCRETIONARY ELEMENT TO COMPLEMENT THE RESTART GRANT SCHEME**

The Restart Grant was effective from 1st April 2021 and ended June 2021. It was available for non-essential retail, hospitality, accommodation, leisure, personal care and gym businesses in England. It took the form of a one-off grant for the financial year 2021-2022 and was administered by BCC Rates Service.

The Restart Grant offered one-off grants of up to £6,000 to £18,000 based upon RV.

This discretionary element will complement the Restart Grant and offer a one-off grant of £5k, which do not qualify for the Restart Grant scheme. This will offer support to non-essential retail, hospitality, accommodation, leisure, personal care and gym businesses, which do not qualify for the restart grant as they do have an RV for their property.

#### **Application form, marketing and communications**

The online application form opened on 13<sup>th</sup> September 2021. To date we have 95 applications, which are subject to validation and approval.

Marketing and communication including BCC website, social media and partner networks has been updated.

<https://www.birmingham.gov.uk/arg>

**Timescale:**

The scheme opened on 13<sup>th</sup> September 2021 and will run to 30th March 2022.

**Recommendations**

Note the contents of this report

Mohammed Zahir  
Head of Business Enterprise an Innovation

21<sup>st</sup> September 2021