

London Borough of Enfield

[Portfolio Decision]

Subject: ARG and WBF
Cabinet Member: Cllr Mary Maguire, Cabinet Member for Finance and Procurement
Executive Director: Sarah Cary
Key Decision: KD - 5382

Purpose of Report

1. The purpose of this report is to agree Enfield Council's scheme for implementing the next phase of the Additional Restrictions Grant (ARG) and Welcome Back Funding (WBF) grant.
2. These two grants are part of a range of grant support packages provided to local government to support post Covid Activity and support business and the local economy.
3. Local Authorities received ARG funding to support business and provide business support activities when national or local Covid restrictions had been imposed. An initial allocation of 9.3 million pounds was granted to Enfield to support businesses. This was successfully delivered and Enfield has qualified for a further 2.3 million pounds of funding. Local authorities are responsible for delivering grants to businesses and have discretion over the design and implementation of their local scheme. This report outlines the activities and schemes to spend this by March 2022 which is the deadline for all spend.
4. Through the Reopening High Streets Fund now known as the Welcome Back Fund (WBF) Enfield Council was awarded an additional £262,673 to support the return to high streets safely. This was part of the £56m of European Regional Development Fund (ERDF) that Councils across England shared to support the return to high streets safely. This grant funding must be spent by March 2022.

Proposal(s)

5. To approve the delivery of the ARG schemes and WBF scheme outlined within this report.
6. For ARG, the funds are to be distributed through a mixture of direct grants to businesses, business support schemes and town centre development and regeneration programmes in line with the aims and vision of the Economic Development Strategy and Council Plan and is in line with the associated guidelines and criteria.

7. *This links to a previous KD 5278 which saw a similar proposal agreed until government guidelines and policy changed switching the focus to direct grants in place of business support activity*
8. For WBF, that the activity and spend focuses on major events and festivals building on the success of the recent Month of Sundays activity which saw 47,100 visitors attending our town centres and 150K invested in Enfield's Creative sector. This would see a lights festival held in the borough and a further series of Christmas festivals in our town centres to support the local economy, encourage footfall and support the Town Centre Action Plans. Communication Activity to support these ideas would be funded as permitted under the scheme.
9. To delegate authority to the Executive Director of Place in consultation with the Cabinet member for Finance and Procurement to amend as appropriate the criteria and delivery of the ARG scheme and WBF scheme in response to any changes in government guidance and to approve the Council entering into the relevant contract documentation necessary to implement the proposals within this Report.

Reason for Proposal(s)

10. These grants are mutually supportive of each other in that they share the same aims in supporting local businesses and the local economy in post pandemic recovery, and so are being considered and developed alongside each other although both have their own specific guidelines, framework and rules on what the monies can be used for.
11. This activity will contribute to securing the economic success of Enfield and providing a boost to the local economy and support and enhance the existing offer.
12. These activities have been designed through careful examination of the government guidance looking at what is permitted under the guidance
13. We have undertaken thorough engagement with council departments and teams through brainstorming sessions to ensure these ideas are evidence led. We have explored and researched best practice with other local authorities. The approach has also been informed by consultation with local businesses through surveys and focus group. A robust methodology was then applied to all the ideas to score their suitability against a range of criteria. This criterion looked at the tangibility of the scheme, the outcomes and outputs, how it fits with the ARG and WBF guidance and how the ideas support the aims of the Council Plan and Economic Development Strategy.
14. By utilising the additional ARG funding for wider business support schemes alongside smaller direct grants we will establish a legacy for the borough to encourage entrepreneurship and growth. We wish to create a framework of support to establish new thriving businesses across a range of sectors and encourage, creative and innovative businesses and start-ups. This will also enable us to develop our economy and businesses in

line with key strategies such as Cultural Strategy and Climate Change Agenda.

15. We recognise the need to spend the allocated money in a robust yet timely manner as all funding needs to be spent by March 2022.
16. Government guidance on these grants is regularly updated and flexibility is needed to respond to this quickly for the benefit of the economy and local businesses.

Relevance to the Council Plan

17. The activity is linked to the strategic deliverables as outlined in the Enfield Council Plan 2020-2022. This centres around creating an economy that works for everyone through aiding job retention and business viability and ensuring key deliverables such as
 - creating more high-quality employment
 - enhance skills and connect local people to job opportunities
 - develop town centre's that are vibrant, safe and inclusive
 - craft a cultural offer for Enfield to support London's status as a world class city
18. This is underpinned by the need to foster growth and development in Enfield and the Wider London area.

Background

19. As part of its response to the disruption caused by COVID-19, Central Government has announced various funding streams to support businesses.
20. Councils across England shared £56m of European Regional Development Fund (ERDF) funding to support the return to high streets safely. This funding is known as the "Welcome Back Fund" (WBF) and it builds on the £50m Reopening High Street Safely Fund (RHSSF) allocated to councils in May 2020. It forms part of wider support government is providing to communities and businesses, to protect jobs, support the most vulnerable and ensure no one is left behind as we continue to tackle the Covid-19 pandemic and begin to build back better. Under the WBF, Enfield was awarded an additional £295,948. Unused RHSSF funding allocation was rolled over into the WBF allocation and can be spent across all six strands depending on local needs. In total, Enfield Council has been awarded £591,896 to support the return to high streets.
21. The Government recognises that economic need will vary across the country, and so the precise design of the WBF fund will be up to each local authority but funding can only be used against the following activities
 - a. Support to develop **an action plan** for how the local authority may begin to safely reopen their local economies

- b. **Communications and public information activity** to ensure that reopening of local economies can be managed successfully and safely
 - c. **Business-facing awareness** raising activities to ensure that reopening of local economies can be managed successfully and safely
 - d. **Temporary public realm changes** to ensure that reopening of local economies can be managed successfully and safely
 - e. Support to **promote a safe public environment** for a local area's visitor economy
 - f. Support local authorities to **develop plans for responding to the medium-term impact of Covid-19** including **trailing new ideas** particularly where these relate to the High Street
22. The WBF cannot be used for activities that support existing activity for capital expenditure on capital works or through direct grants to businesses.
23. The ARG grant scheme follows on from the Government-funded Small Business Grant Fund (SBGF) Retail, Hospitality and Leisure Grant Fund, (RHLGF) and Local Authority Discretionary Grant Fund (LADGF) that were administered by local authorities following the first national lockdown in March 2020. Government subsequently announced on the 22 March 2021 that a subsequent round of funding would be made available to local authorities that have spent their allotted amount by the end of June 2021. The value of this additional funding for Enfield is £2.3M.
24. The Government recognises that economic need will vary across the country, and so the precise design of the discretionary fund will be up to each local authority. They have however outlined guidance for the distribution of the ARG and this can be used for
- a. Providing direct grant support to businesses severely impacted by restrictions. This may include businesses that have already been in receipt of Restart grants.
 - b. Supporting businesses that have been unable to access other business support grant schemes
 - c. Supporting home businesses and sole traders (without using ARG as a wage support mechanism for employees or owners of a business)
 - d. Other business support measures that allow businesses to be the direct recipients of ARG funding
 - e. Distributing funding to a LEP or Growth Hub for the provision of wider business support
25. ARG cannot be used for infrastructure projects, funding whereby the local authority is the direct recipient, wage support (unless for direct business support) or diverting funds from businesses to meet other costs.

Main Considerations for the Council

26. It is for each council to determine how to distribute both the ARG and WBFs. The proposed activity has been developed following research, liaison and understanding best practice with other local authorities and dialogue with internal and external stakeholders
27. For ARG we would utilise the funding across a variety of schemes
28. **Direct Grants:** Over £8 million was distributed to Local businesses through direct grants through the initial ARG Scheme. This focussed on all sectors that had suffered through the pandemic and we had an application window open to all businesses that had not received any government support. We would use a proportion of this funding, 20% to build on this activity and to further support sectors that have continued to suffer. Intelligence from the Business Rates Team, the previous phase and research that has been undertaken has identified that business sectors including Garages, Coach and Travel companies, Warehouses and independent Nurseries require further support. There are also some businesses that made late applications for the first scheme that we would like to consider and support.
29. There will be associated **Staffing Costs** associated with the direct grants work and wider Business Support work that would constitute 6% of the grant and be covered by the ARG scheme.
30. **Delivery infrastructure Online platform:** A small amount would be used to help develop ShopAppy by providing funding for a delivery infrastructure that would enable items that are purchased through the Shop Appy application to be delivered to people's homes. This would support local businesses and town centres
31. **Business Support Schemes.** Businesses and organisations who have been impacted by COVID-19 will be supported by a new suite of business support schemes. By utilising 16% of the funding for wider business support, we will establish a legacy for the borough to encourage entrepreneurship and growth. This is one of the fundamental aims of the Economic Development Strategy. Under the first phase of ARG a partnership was established between Enfield Council and Federation of Small Businesses (FSB) establishing a unique 1000 business membership club to support the local business community where Businesses can have access to workshops, seminars, roundtables, and forums, advice and support. We wish to build on this through development of the following
 - a. Business start-up project to provide dedicated training, mentoring, and advice for new entrepreneurs across the Borough. The programme will involve a mentoring element, upskilling residents to develop their new business in Enfield. The aim of this project is to help residents that have started their own business but have found barriers into making the next step such as market knowledge or confidence. The scheme will focus on growth areas such as Green Economy, Tech and the Creative industries.

- b. A Business Support Scale-up programme. The aim of the project will be to support businesses to identify and exploit opportunities to grow, to ensure they are up to date with the latest leadership and management thinking, to help to find new markets and to learn how to utilize the mediums and identify and access growth finance. Project will target companies which are in high-growth areas and lead them to continue growing, innovating and staying ahead of the competition. The scale-up programme is designed to provide support through research and development, innovation and the access to new talent
- c. A Creative entrepreneurship schemes. This will be vital as part of the new economic landscape in Enfield. This is designed to complement the new merging creative sector in Enfield. This is a bespoke support for young people aged 18 plus looking to enter the creative sector. Programme delivery will be split into 3 sections which include starting a business, developing a businesses and employment opportunities.
- d. To support and facilitate an E-Business Support project run by Enfield Enterprise This will have tangible outcomes in helping businesses adapt and grow. This will allow companies to link their internal and external processes more efficiently and effectively to grow and safeguard jobs.

32. Town Centre Business Support: we would use a proportion of the total ARG, 30% for wider business development. The justification for this is a wish to create a legacy for this funding, to underpin and support businesses now and in the future, foster growth and encourage entrepreneurship. A set of mission principles that have been designed that have been used to evaluate potential ideas and schemes. These include maximising local economic benefit, revitalising town centres, supporting local jobs and encourage entrepreneurship, supporting Cultural initiatives, brining Social value and supporting young people. These are themes that are integral and underpin the Economic Development Strategy and The Council Plan. Detailed ideas have been formed around schemes that this funding may facilitate. These include 3 key schemes

- a) Support for African Businesses through the development of 123 Fore Street where 1,600 square feet of empty retail space re-purposed on high street. Businesses provided with space and linked to the above business support to support businesses to develop and encourage community cohesion
- b) Outdoor Trading Support: Facilitating outdoor trading opportunities for businesses in town centres. Encouraging café culture and events as well as more pragmatic trading approaches in key areas including Devonshire Road in Palmers Green and Ashfield Parade in Southgate

- c) Town Centre Pop up; procurement of pop-up shop operator to run a rotation of businesses through empty shop with programme of town centre activity and business support

33. **Shared Workspace/Community Hub.** We would be allocating 20% of the ARG allocation to look at delivering a shared workspace location for local businesses to use in Enfield. We would look to work with a delivery partner to enable this. This would be an area where businesses could rent a private office space, co-working desks, meeting rooms and conference facilities supplemented with printing and machinery to use as a space to grow their business. This could have a film/music or tech focus having dedicated studios for business to use. This workspace or hub would be an inclusive environment that would help facilitate knowledge exchange, nurture a place-based network of makers, encourage collaboration and provide businesses with a space to discuss collective problems and opportunities. There would be maker spaces and an environment where businesses alongside others could use and grow. We would link this to our business support schemes and explore running these from such venues to offer encompassing support offer for our Businesses and build on the work that Building Bloqs have done.

34. **Communications Programme.** We would allocate 6% of the funding to support communications campaigns across the work of the Economic Development team. This will enable the successful delivery of the ARG and WBF schemes. This would support campaigns directly related to business support and the local economy. This includes

- a) A Campaign to help those that lost their job during pandemic to get back into employment including helping the young people/ long term employed get jobs/skills; to help upskill the Enfield workforce to meet the needs of future growth sectors. This is consisting of Digital advertising, content production, press advertising, outdoor advertising
- b) New campaign to promote opportunities for businesses already in borough to develop and expand. This will Support the campaigns for the individual support projects which are being led by providers and promote of ED strategy. This would run until March 2022.
- c) Ongoing campaign to promote Enfield as an inward investment destination.
- d) An Industrial comms campaign providing the industrial businesses with more exposure and celebrating their achievements
- e) Promoting localised supply chains for industrial businesses.

35. **Creative Arts Training.** We would facilitate training opportunity, procuring a supplier to provide skills and opportunities for young people and existing businesses through a Training scheme offer a series of workshops and lessons to support the next generation of performers and creative arts businesses

36. For the Welcome Back Funding the full allocation of £262,673 would be allocated to major events and festivals building on the success of the recent Month of Sundays activity and accompanying Communications campaigns.

37. The festival activity fits under the **Support to promote a safe public environment for a local area's visitor economy criteria within the WBF guidelines.** As part of the Council's package of measures to support the borough recover from the impact of the COVID-19 pandemic, we will welcome the community back to their high streets this Christmas with scheduled and unscheduled creative and cultural activity and would procure a delivery partner to work with the council to achieve this. A winter lights festival in early 2022 would follow on from this with the same outcomes that Enfield's town centres benefit from increased visitors, residents enjoy amazing experiences and the borough continues to grow and develop its cultural programme.

38. Communications Activity to support the Welcome Back Fund activity would also be funded as per paragraph 33.

Administration, Assessment and Payment of Grants

39. The following procedures will apply to the ARG. where direct grants are issued there will be an application process and a comprehensive set of criteria published so businesses will be clear on the criteria used and the evidence that is needed to make a successful claim. There will be an applications window with a fixed closing date and applications will be reviewed for eligibility throughout the process. This will ensure we adhere to government guidance and can fulfil any audit and assurance processes

40. For the Welcome Back Fund, ERDF procurement rules will be followed. All Activity needs to be agreed and signed off by MHCLG to ensure that the activity is permitted under the WBF guidance.

41. We have established a ARG and WBF governance board and associated action groups to oversee the work, ensure successful delivery of these schemes and to ensure that all procedures and government guidance is followed.

Safeguarding Implications

42. There are no Safeguarding implications for this report

Public Health Implications

43. The distribution of the ARG and WBF will help support businesses through pandemic restrictions until such as lockdown restrictions end. This in turn will help to protect people's livelihoods, employment, economic and social wellbeing.

Equalities Impact of the Proposal

44. The ARG and WBF will support and be open to a range of businesses across all sectors across the borough. A number of the business Support Schemes will be tailored to underrepresented groups in business offering mentoring and training. Business Support Schemes will evidence how they add social value to the borough

Environmental and Climate Change Considerations

45. The criteria for the Business Support Scheme and Town Centre Business Support schemes could include climate action and reducing carbon emissions, for example by supporting businesses in the green economy and retrofit sectors. This will be considered as these programmes are developed.

Risks that may arise if the proposed decision and related work is not taken

46. Not to approve the policy and implement the ARG and WBF. This is not recommended as the opportunity would be missed to support businesses impacted by national restrictions in place and any subsequent local or national restrictions
47. Not participating and using this dedicated funding will mean Further risks to the business community that will lead to the loss of businesses in various sectors, consequently the loss of jobs and more people unemployed and unable to support and contribute to the local economy

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risk

48. Enfield Council do not accept this funding: this would not comply with the request from Government and would not give critical support to businesses operating within Enfield, and therefore this is not a recommended option.
49. Enfield Council administer grants beyond the scheme set out by Government this is not affordable for the Council, and therefore is not the recommended option.

Financial Implications

50. An initial allocation of £9.3 million pounds was granted to Enfield to support businesses through ARG phase 1, this was successfully delivered, which has allowed Enfield to qualify for a further £2.3 million grant.
51. Local authorities are responsible for delivering the grant to businesses and have discretion over the design and implementation of their local scheme, which will be met from the £2.3m ARG Phase 2 grant - March 2022 is the spend deadline.
52. Through the Reopening High Streets Fund now known as the Welcome Back Fund (WBF) Enfield Council has also been awarded an additional

£262,673 to support the return to high streets safely - March 2022 is the spend deadline.

53. Therefore, there will be no financial impact on the Council but would have a significant benefit to a considerable number of businesses within the borough.

Legal Implications

54. Local Authorities are business rate billing authorities in England. They receive funding from Government and are responsible for making payments to businesses. The general principle applies that Local Authorities are responsible and accountable for the lawful use of funds under Section 151 of the Local Government Act 1972. The Section 151 Officer within the Local Authority is required to exercise their duties in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance, ensuring their oversight of the proper administration of financial affairs within the Local Authority, including these grants.
55. Officers must familiarise themselves with the relevant government guidance for administration of each of the two schemes - including any updates as and when they are issued - and must ensure compliance with such guidance when implementing the proposals within this Report. As the WBF is derived from the European Regional Development Fund, investments will need to follow the ERDF Operational Programme's rules, as detailed in the WBF government guidance.
56. Officers must also be mindful not to breach subsidy control/ state aid rules when implementing the schemes. The WBF government guidance states that investments made through that fund are limited to activity that is not classified as State Aid (being derived from the ERDF). With regard to the ARG, local authorities must be satisfied that all subsidy allowance conditions have been fully complied with when making the grant payments. There are three subsidy allowances for the ARG scheme:
- Small Amounts of Financial Assistance Allowance (325,000 Special Drawing Rights, to a single economic actor over any period of three fiscal years, which is the equivalent of £335,000 as at 2 March 2021);
 - The COVID-19 Business Grant Allowance (subsidies granted on a temporary basis to respond to a national or global economic emergency- £1,600,000 per single economic actor);
 - The COVID-19 Business Grant Special Allowance (where an applicant has reached its limit under the Small Amounts of Financial Assistance Allowance and COVID-19 Business Grant Allowance, it may be able to access a further allowance of funding of up to £9,000,000 per single economic actor, provided certain conditions are met).
57. Local Authorities must also ensure wider compliance with the Subsidy Control regime, in particular the Transparency obligations: All schemes and individual awards over £500,000 must be uploaded to the BEIS Transparency Database within six months of being granted. Any ad hoc awards of at least 325,000 Special Drawing Rights over three years to an

individual beneficiary must also be uploaded within six months of being granted.

58. Any procurement of goods or services by the Council in implementing the proposals within this Report should be carried out in compliance with the Council's Contract Procurement Rules and, where applicable, the Public Contracts Regulations 2015. In particular, under the WBF government guidance, local authorities will need to ensure that all procurements are awarded in line with the ESIF (European Structural and Investment Funds) National Procurement Requirements.
59. As flagged elsewhere in this Report, the Welcome Back Fund builds on the Reopening High Streets Safely Fund and is an extension to the earlier phase of the project. The delivery mechanism is a variation to the grant funding agreements (GFA) DLUHC currently has with local authorities. Legal Services should review the variation to the Council's current GFA.

Workforce Implications

60. None as the existing ARG team will deliver this work

Property Implications

61. The proposals in this report carry a number of property implications as they foresee a letting at 123 Fore Street and also the creation/provision of serviced accommodation to enable the delivery of the "Shared Workspace/Community Hub".
62. At the time of writing the intent on what nature of occupational arrangement at 123 Fore Street needs to be put in place for the repurposed retail space designed to support Afro-Caribbean. However, if a lease is required, the lease terms will need to be mindful of letting policy within the Strategic Asset Management Plan and the letting process follow the Property Procedure Rules. If any arrangement amounts to one that is materially concessionary to market terms, such indirect grant funding will need to be agreed and cross-funded to the HRA by the appropriate service that is sponsoring the occupier's placement there.
63. The provision of a Shared Workspace facility is unlikely to be able to be found from within existing Council assets given the scarcity of vacant council commercial assets (vacancy rates are currently less than 4%). For this to be delivered it should be anticipated that it will need to come from new leased-in premises, where an exception to the general presumption against leasing-in premises will need to be agreed at the appropriate level (e.g. Property Board). Thereafter ARG team will need to engage closely with SPS to determine what might be possible by way of taking new premise and to ensure that best practice and Council procedure rules are complied with. Note that the level of funding for this initiative will have a direct relationship with how long the Council can offer a Shared Workspace facility.

Other Implications

64. None

Options Considered

65. A number of differing options have been examined as part of devising the proposal to spend this grant.

66. We have undertaken thorough engagement with council departments and teams through brainstorming sessions to ensure these ideas are evidence led. We have explored and researched best practice with other local authorities. The approach has also been informed by consultation with local businesses through surveys and focus group. A robust methodology was then applied to all the ideas to score their suitability against a range of criteria. This criterion looked at the tangibility of the scheme, the outcomes and outputs, how it fits with the ARG and WBF guidance and how the ideas support the aims of the Council Plan and Economic Development Strategy.

Conclusions

67. The ARG and WBF grant scheme gives the Council the opportunity to use its discretion to assist a range of local businesses that contribute to the Borough's local economy.

68. The council will be provided with funds from Government to cover the scheme(s). There is no net cost to the Council to introduce the scheme.

69. These proposals will directly benefit a substantial number of businesses in the borough in challenging times.

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Appendices:

Appendix 1: EQIA

Background Papers: None