

**Report to:** EXECUTIVE CABINET

**Date:** 14 July 2021

**Executive Member:** Cllr Oliver Ryan, Executive Member (Finance & Economic Growth)

**Reporting Officer:** Jayne Traverse, Director of Growth  
Gregg Stott, Assistant Director of Investment, Development and Housing

**Subject:** WELCOME BACK FUND ALLOCATION

**Report Summary:**

1. To provide information on the Welcome Back Fund allocation that will be added to the Reopening the High Street Safely Fund (RHSSF) allocation that has already been approved.
2. The fund continues to support actions to aid the safe reopening of the high street following the relaxation of measures imposed during COVID-19, however, there are two additional categories;
  - Support and promote a safe public environment for a local area's visitor economy,
  - Allow local areas to develop plans for responding to the medium-term impact of COVID-19 including trialling new ideas particularly where these relate to the High Street.
3. The report also seeks to sign the Grant Funding Agreement, manage the programme of work and procure in line with criteria and procurement rules, state aid and the council's standing orders items up to but not exceeding the allocation of £200,741 (together with any remaining balance of the equivalent grant allocated for Reopening the High Street Safely)

**Recommendations:** That Executive Cabinet be recommended to agree::

1. The Draft Grant Action Plan at **Appendix 1**.
2. Any necessary funding variances on the activity detailed in the Draft Grant Action Plan (**Appendix 1**), within the funding envelope of £0.201m (together with any remaining balance of the £0.210m Re-opening the High Street Safely Funding), to ensure all the funding is spent by 31 March 2022.
3. In principle entering into the grant funding agreement subject to the necessary due diligence being undertaken in advance.
4. Entering into the necessary contracts to deliver the works detailed in the Draft Grant Action Plan (**Appendix 1**).
5. That it is agreed expenditure on some projects will initially be funded from 2021/22 Operations & Neighbourhoods revenue budget and retrospectively claimed via the grant once the Grant Funding Agreement is signed.
6. That delivery against the grant funding obligations/milestones is reflected in the monthly financial reporting arrangements.

**Corporate Plan:** Build back better runs through all the priorities identified in the newly approved Inclusive Growth Strategy due to the encompassing nature of the pandemic based on impact and analysis since December 2019. The Strategy, which will help to deliver the authorities Corporate Plan, notes that high streets lie at the heart of Tameside's communities and drive a large part of our local

economy. They create jobs, nurture small businesses and inject billions of pounds into our economy, whilst providing accessible hubs for residents to access public services, leisure and retail facilities. Around 25,000 people are currently employed in Tameside's town centres.

The funding purpose aligns with the following Corporate Plan objectives:

1. A sustainable environment that works for all;
2. Nurturing our communities;
3. Living healthier lives.

**Policy Implications:**

Whilst measures resulting from this fund will be temporary, they are still in line with Town Centre priorities outlined in the approved Inclusive Growth Strategy and the Tameside Unitary Development Plan as identified under (S1) *Town Centre Improvement* in identifying and implementing improvements where necessary.

**Financial Implications:**  
**(Authorised by the statutory  
Section 151 Officer & Chief  
Finance Officer)**

The report sets out details of the recently announced Welcome Back Fund (WBF) grant allocation awarded to the Council of £0.201m.

Members are reminded that the Executive Cabinet approved a report on the Re-Opening High Street Safely (RHSS) grant funding on 24 March 2021 for the same grant sum £0.201m. This report stated that this funding had to be expended by 30 June 2021.

However it should be noted that the guidance for the Welcome Back Fund now states that any balance of the RHSS grant not expended by 30 June 2021 can be expended by the WBF grant deadline of 31 March 2022 (section 1.1 refers).

It is noted in section 11 of the report that a Grant Activity Plan (GAP) will be required which will enable The Ministry of Housing, Communities and Local Government (MHCLG) to check the proposed expenditure commitments via the grant for eligibility and to provide the MHCLG with an indication of the type of activities that will be undertaken. The main aim is to ensure eligibility of the proposed expenditure in advance of quarterly grant claims that will be submitted in arrears during 2021/22. Appendix 1 provides details of the proposed expenditure via the grant. The proposed commitments total £0.230m with the residual balance of £0.029m financed via the aforementioned Re-Opening High Street Safely grant of £0.201m. It should be acknowledged that the GAP will be adjusted and need to be approved accordingly during the 2021/22 financial year should any further residual balance become available via the RHSS grant.

Members should note the risks stated within section 12 of the report with particular reference to the procurement of related activities in advance of approval of both the GAP and receipt of the grant funding agreement via MHCLG. Any expenditure incurred in advance of approval that is subsequently deemed ineligible will be a liability to 2021/22 Council revenue budgets with additional savings required to finance the related expenditure. It is essential that both the approval of the GAP and receipt of the grant funding agreement are progressed with MHCLG as matters of urgency to minimise this risk to Council budgets.

In addition it is also essential that appropriate advice is sought from STAR where appropriate to ensure compliance with procurement

regulations and that value for money is achieved and clearly evidenced.

**Legal Implications:**  
**(Authorised by the Borough Solicitor)**

The purpose of the fund is set out in the main body of the report, however as the terms of the funding agreement have not as yet been provided to the Council it is not possible to provide comprehensive legal advice at this point in relation to the terms of the grant.

It would be necessary for due diligence to be completed before the grant agreement is entered into to ensure that it is within the Council's policy, legal and financial framework and project officers are clearly sighted on liabilities and their responsibilities can be delivered.

There are a number of references in the report to the risks associated with this grant especially where work is being undertaken before the grant funding has been received.

Members need to be content that there is sufficient oversight of the project and related spend to as to mitigate any risk to the Council especially in relation to having to make good any short fall in funding. Members need to be satisfied that the proposals for spend or any variations made will deliver objectives of grant in interests of residents.

The project officers should also ensure that advice is sought from STAR in relation to procurement and that state aid advice is also sought as required.

**Risk Management:**

Risks associated with the project are set out at Section 12.

**Background Information:**

<b>Appendix 1</b>	<b>Draft Grant Action Plan</b>
<b>Appendix 2:</b>	<a href="http://www.gov.uk">Welcome Back Fund - GOV.UK (www.gov.uk)</a>

The background papers relating to this report can be inspected by contacting Anne Heath, Economic Development Officer.

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## 1. INTRODUCTION

- 1.1 The Welcome Back Fund (WBF) is phase 2 of the Reopening the High Street Safely Funding (RHSSF) was announced on Saturday 20 March. It is designed to help councils boost tourism, improve green spaces and provide more outdoor seating areas, markets and food stall pop-ups – giving people safer options to reunite with friends and relatives as communities begin to recover and rebuild from the pandemic. The Council has been allocated £200,741 from the WBF (detailed **Appendix 1**) effectively doubling the original RHSSF allocation (£401,482 in total). Phase 1 of the funding is programmed to end of June 2021, while Phase 2 will continue until end of March 2022. It has been confirmed within the Welcome Back Fund guidance that remaining unspent funds from RHSSF can be rolled over into the WBF period and must be spent by March 2022.
- 1.2 The new strands of activity must be linked to a local strategy for reopening high streets in response to the impact of COVID-19. The funding could also be used to help local areas overcome the long-term impact of COVID-19, including trialling exciting new ideas such as ‘virtual high streets’ and research projects to futureproof our local economies and communities.
- 1.3 A Grant Activity Plan (GAP) will be required in advance of the GFA for the WBF and any changes will need to be agreed in advance before expenditure will be reimbursed. Expenditure under the WBF is eligible from the 19 April 2021 following publication of the guidance but will remain at risk until the amended GFA is signed and the money claimed back.

## 2. ELIGIBILITY AND SCOPE

- 2.1 The scope of the new funding has been extended. The WBF will continue to support the four main types of existing RHSSF activities as outlined in the original guidance including:
- Support to develop an action plan for safe reopening of local economies;
  - Communications and public information - this will include banners, leaflets, adshell and bus back advertising as well as social media campaigns designed to raise and keep awareness that although restrictions might have been lifted COVID-19 has not gone away. The campaign can also welcome back residents and visitors to the high street. The campaign will be borough wide and be adjusted given the nature of the pandemic to deal with changing situations. There is also the option to retain/re-engage the COVID-19 Officer for a period to cover busy periods such as Christmas and this is being considered.
  - Business-facing awareness raising activities - business packs have been provided under the RHSSF allocation that include posters, information and floor markings to aid retailers in complying with rules and regulations and to help them open and stay open following lockdown. Further appropriate packs will be made available under the Welcome Back Allocation to update and aid businesses deal with the ongoing problems raised by the pandemic.
  - Temporary public realm changes to ensure that reopening of local economies can be managed successfully and safely. There were no works identified as necessary under the RHSSF allocation however there may be a requirement for temporary public realm changes to be used for the safety of the attendees, if an event is being held. This will be monitored and action taken if necessary.
- 2.2 In addition, the Welcome Back Fund will also:
- Support and promote a safe public environment for a local area’s visitor economy.
  - Allow local areas to develop plans for responding to the medium-term impact of COVID-19 including trialling new ideas particularly where these relate to the High Street.
- 2.3 Eligible activity under these two new strands could include:

- Publicity campaigns and marketing activity for street food markets to support local businesses;
  - A temporary pop up food market idea is being researched to enable soft market testing for demand to take place that will also support local businesses and increase visitor numbers.
  - Improving green space and seating areas to encourage people back to town centres; and
  - Beautification of areas to support the visitor economy;
- 2.4 The feasibility of the provision of a number of temporary outside seating schemes are being looked at in order to increase access to food and drink offers safely for residents and visitors. Temporary cycle parking is also being considered as well as a number of events to promote the town centres and a marketing campaign attached to them to raise awareness. Investigations into the improving public green space with maintenance free options are also being considered to improve the town centre environments.
- 2.5 The funding could also be used to help local areas overcome the long-term impact of COVID-19, including trialling exciting new ideas such as 'virtual high streets' and research projects to futureproof our local economies and communities. To be clear, any activities we wish to fund under the new strands of activity must be linked to a local strategy for reopening in response to the impact of COVID-19.
- 2.6 The authority will be able to spend its allocation of £200,741 on eligible following the release of guidance (**Appendix 2**) and claim it back from Cities and Local Growth Unit (CLGU) in arrears once the amended RHSS Funding agreement has been signed. Claims will be paid quarterly for eligible expenditure under the guidelines and will be claimed monthly in arrears.
- 2.7 Local Authorities must comply with Paragraph 7 of the ERDF National Eligibility Rules when claiming expenditure incurred before the terms of their grant have been fully agreed. Unused RHSSF funding allocation per local authority can be rolled over into the WBF allocation and utilised against the increased scope set out in the WBF guidance.
- 2.8 All these activities must adhere to strict regulations attached to the funding which include:
- Local authorities will need to ensure that all procurements are awarded in line with the Public Procurement Regulations;
  - Local authorities will need to ensure that funding is managed in accordance with State Aid law;
  - The ERDF branding requirements will need to be followed by all local authorities. The use of the ERDF logo, which includes the emblem and reference to the Fund, and the requirements set on colour use, sizing, visibility and positioning must be followed. The HMG logo must be used alongside the ERDF logo.
- 2.9 There are also three main categories where activities cannot be supported:
- **Activity that provides no additionality** - This funding is intended to be additional funding on top of that existing activity;
  - **Capital expenditure** – This funding is intended to help local authorities address the short-term issue of re-opening their local economies. It can support some temporary changes to the physical environment, but those changes should not be anticipated to last beyond 12 months, or until no longer required for social distancing;
  - **Grants to businesses** – Funding cannot provide direct financial support to businesses to make adaptations to premises, purchase PPE, purchase goods or equipment or offset wages or other operating costs.
- 2.6 There is scope through this fund to support Information Officers to provide SMEs with advice, where those businesses serve the public and are adjacent to public spaces. These roles would have to be new posts, or an expansion of an existing role. The fund cannot be used as subsidy for existing provision.

### **3. OUTPUTS ASSOCIATED WITH ACTIVITY**

- 3.1 There are several outputs detailed within the guidance (Appendix 2) to be achieved which relate to the number of:
- COVID-19 Action Plans produced;
  - COVID-19 Public Information Campaigns;
  - COVID-19 Business Facing Campaigns;
  - COVID-19 Communication Officers;
  - High Streets with Temporary COVID-19 Adaptations;
  - Neighbourhood Shopping Areas with Temporary COVID-19 Adaptations.
  - Support and promote a safe public environment for a local area's visitor economy.
  - Allow local areas to develop plans for responding to the medium-term impact of COVID-19 including trialling new ideas particularly where these relate to the high street.

### **4. CLAIMING EXPENDITURE**

- 4.1 Local authorities will be able to spend money, at risk, on eligible activities from 19 April 2021 and claim it back from CLGU in arrears.
- 4.2 The default position is that claims will be paid quarterly. For costs to be eligible, local authorities will need to ensure that they can evidence how these costs are over and above any that they might otherwise incur.
- 4.3 A standard claims template will be provided and all claims are expected to contain the following information:
- A summary of expenditure;
  - Details of every transaction, irrespective of value, that is included in the project expenditure in the claim period;
  - Record of the outputs;
  - Details of procurements included in the claim;
  - A progress report for the claim period – a progress report will be required even if no funding is being claimed.
- 4.4 Funding will close 31 March 2022 and spend from the allocation will need to be closely monitored in order to ensure that the allocation is able to cope with the likely changes throughout the release from lockdown and changes in government guidelines.

### **5. RETENTION OF PROJECT RECORDS**

- 5.1 Evidence must be retained to demonstrate that any project expenditure is eligible and that costs have been defrayed.
- 5.2 These records will need to be retained through the life of the project and for the relevant retention period. Examples of evidence include:
- Invoices/receipts, purchase orders/contracts, payroll records, bank statements and accounting records;
  - Employment and salary costs must be evidenced by job descriptions; contracts of employment, payroll records and bank statements;
  - Core documents for any procurement carried out;
  - Copies of all publicity materials, including press releases, marketing activity and posters displayed in venues where activity takes place must be retained to demonstrate proactive activity and the correct use of the EU logo and required text.

## **6. PUBLICITY REGULATORY REQUIREMENTS OF THE FUNDING**

6.1 The European Regional Development Fund (ERDF) branding requirements detailed in the guidance (Appendix 2) must be adhered to and includes;

- Display the ERDF and HMG logo on all electronic and print publication materials used for information and communications supported by the Fund including:
  - advertisements, job advertisements, job descriptions and notices
  - leaflets, brochures, flyers and newsletters
  - promotional items
  - project documentation – e.g. reports, papers and letterheads
  - procurement material
  - social media tools
  - posters (see below for more details)
- Display the ERDF and HMG logo on the relevant website – established specifically for Fund activities or a broader website used by the beneficiary, ensuring:
  - use of the colour ERDF logo
  - logo is visible upon landing, in viewing area and without the need to scroll
  - inclusion of a short description of the activities to be supported with aims and results
- Display of at least one poster of minimum A3 size, readily visible to the public (e.g. the entrance area of a public building) at the location of the activities being implemented and containing information on the work being delivered.
- Ensuring inclusion of a reference to ERDF, the logo and use of ERDF notes to editors in any media and press activities.

## **7. PROCUREMENT REQUIREMENTS OF THE FUNDING**

7.1 All procurement should be awarded in line with the Public Contracts Regulations.

7.2 Procurement exercises should therefore be carried out in an open and transparent way, an audit trail of the routes followed, and the process will need to be retained. Consideration should also be given to the latest Crown Commercial Service (CCS) guidance notes in direct response to the COVID-19 crisis.

## **8. STATE AID REGULATORY REQUIREMENTS OF THE FUNDING**

8.1 As with all activity supported by the ERDF programme, any investment will need to be compliant with the EU State Aid rules. There is no provision for payments to businesses within the allocation therefore, State Aid should not be an issue for this allocation.

## **9. MONITORING REGULATORY REQUIREMENTS OF THE FUNDING**

9.1 Monitoring of the Local Authority in regards to the WBF, will take place by CLGU. This will include as a minimum, some or all of the following measures:

- Checks on Local Authority systems and processes for retaining an audit trail;
- Spot checks on expenditure items included in claims.

## **10. ADDITIONAL REPORTING REQUIREMENTS OF THE FUNDING**

- 10.1 Given the bespoke nature of this project there will be a need to provide some additional reporting requirements and outcomes of the investments being made.
- 10.2 Prior to undertaking any actions, a baseline data set for future measurement should be acquired, in particular relating to the current footfall in the high streets.
- 10.3 The costs of acquiring this baseline data, assuming it is not already available, can be covered as part of the costs associated with developing an action plan.

## **11. GRANT ACTIVITY PLAN**

- 11.1 A Grant Activity Plan (GAP) will be required which will enable the CLGU to sense check the work for eligibility and give CLGU an idea of the type of activities, from the draft action plans, that will be undertaken. The main aim is to ensure eligibility of the expenditure submitted in subsequent grant claims.
- 11.2 The GAP will be used to form the amended Grant Funding Agreement. It is useful to note that modifications can be made even after it is signed. Assurance from CLGU has been sought and they recognise changes are likely to be needed through the course of the programme and are happy to work with us to respond to any problems/queries that arise as the programme goes on.
- 11.3 A dedicated Contract Manager will be appointed by the CLGU to work with the project lead throughout the programme.
- 11.4 Footfall counters will be installed and will be in place for the entirety of both the RHSSF and WBF projects in order to provide data baseline data as required above. The costs of installation has already been agreed for a 12-month period within the current RHSSF allocation.
- 11.5 With the assistance of the Council's Communications Team, a Communications Plan will be prepared in line with professional advice provided by public health both nationally and locally. The emphasis of our local approach is to support local business by helping them and the local community to understand, interpret and implement relevant national guidance in order to reduce the risk of COVID-19 transmission. This is part of the wider approach to preventing COVID-19 spread as part of our Local Outbreak Control Plan and involves all the wider support in place for local businesses via a range of council services and officers.

## **12. RISK**

- 12.1 The Council does not currently have an amended Welcome Back Fund GFA which will be informed from the information contained in the Welcome Back Fund GAP. The GFA will be a standard MHCLG agreement, very similar to the GFA previously assessed for the RHSSF allocation by Director of Finance in consultation with the Director of Governance & Pensions.
- 12.2 There are some projects which, due to timescales, will need to be delivered before the Grant Funding Agreement has been signed. For example, costs associated with the Foodie Friday event in Stalybridge will be paid via the 2021/22 Operations and Neighbourhoods revenue budget who will later seek to claim the funds back from the Welcome Back Fund once the GFA has been signed. Details of the event are included in the Draft GAP (Appendix 1). The latest FAQs issued by CLGU includes 'street markets' on a potential list of activities that local authorities could be including in a GAP. Therefore, it is considered that the risk of being

unable to reclaim this money from the Welcome Back Fund is minimal, as long as the correct procedures, in respect of eligibility, have been followed in relation to the event.

12.3 The regulatory requirements for eligibility are contained within the guidance (Appendix 2) and in the sections above and will be strictly adhered to and monitored.

12.4 Advice will be sought from CLGU on any items of expenditure where eligibility clarification is needed, and will therefore minimise the risk to the authority.

12.5 Table 1 sets out the risks for this project and the mitigations in place.

<b>Table 1 Project Risks</b>			
<b>Risk</b>	<b>Impact</b>	<b>Rating</b>	<b>Mitigation</b>
<p>1. The GFA is not agreed in time with MHCLG to deliver the identified areas of spend.</p> <p>The authority does not currently have the GFA that will be informed from by the GAP. Procurement and recruitment will need to be undertaken once a GFA is in place before spend can be incurred.</p>	<p>The project ends on 31 May 2022, not spending the allocation would be detrimental to our re-opening town centres approach and would cause reputational damage to the Local Authority.</p>	Medium	<p>The risks and conditions of the agreement will be assessed by Director of Finance in consultation with the Director of Governance &amp; Pensions to accept and enter into the GFA on behalf of TMBC. Tameside has pursued the completion of the GAP and GFA simultaneously to this updated report to enable maximum amount of time to deliver.</p>
<p>2. Local authorities can spend money on eligible activities from 19<sup>th</sup> May 2021 and claim it back from MHCLG in arrears. All work has to be carried out at risk the funding agreement offers some protection but, grant applications submitted have to agree expenditure before re-imburement still have to be agreed and work could still be deemed ineligible if guidance changes</p>	<p>The Council will have to incur expenditure and then seek to claim back retrospectively. Any expenditure deemed ineligible by MHCLG would have to be paid for by the authority.</p>	Medium	<p>Advice will be sought from MHCLG on any items of expenditure where eligibility clarification is needed, therefore minimising the risk to the authority. The GFA provides clarity on eligible local spend once in place.</p>
<p>3. All procurement should be awarded in line with the Public Contracts Regulations. In addition, all procurement exercises should therefore be carried out in an open and transparent way, an audit trail of the routes followed, and the process will need to be retained. Consideration should also be given to the latest CCS guidance notes in direct response to the COVID-19 crisis.</p>	<p>Procurement/recruitment rules are stringent as the funding is sourced through ERDF and the process can take 4 to 6 weeks to put in place this could prove a challenge given the time restraints currently in place</p>	Medium	<p>The risks and conditions of the procurement process will be carried out following STAR guidance and the quickest route to market used.</p>

<p>4. A number of records are required, under the terms of the project to be retained through the life of the project and for the relevant retention period. These include payroll records, bank statements and accounting records.</p>	<p>Because evidence cannot be supplied in the requested format the expenditure may be deemed ineligible</p>	<p>Medium</p>	<p>We are still awaiting a response to a question around transaction details being sufficient. Authority bank statements and payroll information may be difficult to supply.</p>
<p>5. The use of the ERDF logo, which includes the emblem and reference to the Fund, and the requirements set on colour use, sizing, visibility and positioning must be followed. All electronic and print publication materials used for information and communications supported by the Fund including items connected with recruitment. Materials produced, project documentation, procurement materials and social media tools.</p>	<p>Failure to use correct logo's etc. will result in that activity becoming ineligible.</p>	<p>Low</p>	<p>All staff are aware of the regulations around the use of the ERDF logo etc. and all items procured, displayed, any social media used and recruitment documentation information will have the required logo's.</p>

### 13. CONCLUSION

- 13.1 The Welcome Back Fund allocation is designed to follow on and back up the work already carried out under RHSF and help Build Back Better from the pandemic. The funding builds on the Reopening High Street Safely Fund (RHSSF) allocated to councils on 1 June 2020. It forms part of wider support government is providing to communities and businesses with the aims of protecting jobs, supporting the most vulnerable businesses and people in our community and ensuring no one is left behind as we continue to tackle the COVID-19 pandemic and begin to build back better.
- 13.2 The WBF will enable the Council to put in place additional measures to create and promote a safe environment for local trade and tourism, particularly in high streets as their economies reopen and begin to welcome back visitors. The impact of COVID-19 on the local economy has been significant and the fund can therefore be used for the Council to develop action plans for responding to these impacts.

### 14. RECOMMENDATIONS

- 14.1 As set out at the front of the report.