

## Briefing Paper – Business Support Grants

From the first national lockdown in March Local authorities have had 8 schemes to administer between April and November:

1. Small Business Grant (Scheme 1)
2. Retail, Hospitality & Leisure Grant (Scheme 2a)
3. Retail, Hospitality & Leisure Grant (Scheme 2b)
4. Discretionary Business Grant Scheme
5. Local Restrictions Support Grant (Closed)
6. Local Restrictions Support Grant (Open)
7. Local Restrictions Support Grant (Closed) Addendum
8. Additional Restrictions Grant

The small business grant and the retail, hospitality and leisure grant saw councils paying out large sums:

For example North Devon paid out 3,775 grants, that is, 96% of eligible businesses to the value of just under £43m. Exeter paid out £29.5m in 3,032 grants.

Since the New Year we've had 4 more schemes:

1. Local Restrictions Support Grant (Sector)
2. Christmas Support Payment for wet-led pubs
3. Local Restrictions Support Grant (Closed) Addendum: 5 January onwards
4. Closed Businesses Lockdown Payment

The Christmas payment scheme is **for wet-led pubs** a one-off payment of £1,000 for pubs that derive under 50% of their income from food sales. Grants awarded so far = 51 totalling £51,000 in Exeter, £42k in East Devon; 332k in North Devon.

The main issue for councils will be progress with the local restrictions grants and further funding for Additional Restrictions Grant scheme.

The Government announced the new grants on 5<sup>th</sup> January but guidance was not forthcoming until the 13 January.

Presently only Mid Devon, and Torridge have got the schemes up and live and Mid Devon has made payments. Mid Devon paid out £1.5m on the same day they got the guidance. South Hams and West Devon will be in a position to start paying out from Monday and the rest of Devon districts by the end of the month.

There are many reasons for the differences in performance, a principal reason is the data bases and the IT support packages that underpin the systems. Councils use different IT systems and some suppliers provide a product for delivering the schemes.

It is probably worth highlighting the discretionary scheme

In May 2020 the Government announced that a discretionary fund would be made available aimed at small businesses who were not eligible for the Small Business Grant Fund or the Retail, Leisure and Hospitality Fund.

Whilst Government Guidance set out some mandatory eligibility criteria, it also provided scope to target the grants in accordance with local economic circumstances and priorities.

A coordinated Devon policy by Leaders and Chief Executives of the eight Devon District Councils on 20<sup>th</sup> May 2020 and also adopted by Plymouth City Council and Torbay Council.

- Government asked local authorities to prioritise:
  - Small businesses in shared offices or other flexible workspaces.
  - Regular market traders with fixed building costs, such as rent, who do not have their own business rates assessment;
  - Bed & Breakfasts which pay Council Tax instead of business rates; and
  - Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief.

There was some scope to target the grants to maximise support to the local economy, within a standardised framework, for example businesses in shared offices (Exeter) and marine businesses (South Hams).

To give you an idea of the amounts paid out under the discretionary scheme  
North Devon paid out £2,255,000 (471 awards)  
Exeter paid out: £1,341,750 (217 awards made)

With the announcements in the New Year of

Regarding the two discretionary schemes in development:

**Local Restrictions Support Grant (LRSB) - Open**

Discretionary grants (£467, £700 or £1,050 per 14-day period) will be paid to:

- (i) businesses in the hospitality, leisure, sport facilities, entertainment, events and accommodation sectors whose turnover and trade has been severely affected by the localised restrictions on socialising
- (ii) businesses in the supply chain to the hospitality, leisure, sports facilities, entertainment, events and accommodation sectors, where the majority of their trade is with those sectors
- (iii) market traders and local independent retail shops whose turnover and trade has been severely affected by the localised restrictions on socialising
- (iv) traders dependent on providing direct in person services in homes whose turnover and trade has been severely affected by the localised restrictions on socialising
- (v) personal care facilities whose turnover and trade has been severely affected by the localised restrictions on socialising

- (vi) licensed taxi drivers
- (vii) Early Years providers/Day Nurseries

**Additional Restrictions Grants (ARG) to give members an idea of the amounts I will use Exeter as an example**

The Council's allocation of £3,795,377 will be used as follows:

- (a) £1,937,277 for one-off discretionary grants to support eligible businesses impacted during the current and previous national lockdown period and while Tier 3 local restrictions were in place including supporting businesses not entitled to the Local Restrictions Support Grant (Closed) Addendum: 5 January onwards scheme and the Closed Businesses Lockdown Payment
- (b) £1,040,000 will be used by the Council to support businesses through a range of interventions both during and post the Covid-19 crisis;**
- (c) £48,100 will be utilised for exceptional hardship support
- (d) £770,000 will be retained to allow for any subsequent discretionary grant programme requirement before 31 March 2022

The range of interventions include:

- **Exeter Works** - an initiative designed to support people who have been made redundant as a result of the impact on the economy due to the pandemic.
- **Business Recovery Grant Programme** - to support businesses to; adapt, change, diversify and update their business processes and operations in order to grow and develop and come out of the current situation in a stronger position, more resilient, and with increased productivity
- **Digital Business Support Package** - a bespoke programme of commissioned support for businesses to adapt to digital ways of working to improve their business operations and processes. Building on the successful 'Bounce Back Digital' programme run by the Digital Skills Partnership.
- **Business Support Package for SMEs** - a commissioned programme of support targeted at identified priority businesses that will build on the range of services already available to businesses, providing additionality, in the form of dedicated 121 support and mentoring to address specifically identified needs.
- **Pop Up Shops** - a programme using Exeter City Council owned retail property, to make the space available to market traders, and other retail businesses that have been impacted by the pandemic and government restrictions. Provides exposure and new opportunities to develop markets and customers
- **City Centre Click & Collect, and online shopping platform** - space dedicated to provide a city centre click & collect facility, which compliments investment in an online platform to enable customers to add to an online shopping basket, helping customers to buy from multiple shops but have just one delivery. This would be supported by CoDelivery, a new city wide last mile bike deliver service.

## Reflections

1. Complexity of schemes challenging for us to administer and more challenging for the businesses to navigate. To give an example South hams an west devon emailed 1000 eligible businesses for Local restrictions support grant open grants resulted in only 160 applications.

2. Tension between audit and ensuring non fraud claims with speed of getting the money out of the door.
3. Classic mixed messages
  - Government giving out the message that although they are keen to get grants paid out quickly they stress the need for discretionary payments to be made to businesses in an orderly and controlled manner, and
  - **Initially we were told the original discretionary grant would have to last until March 2022 and there would not be a top up! Therefore eek it out.**
  - Then the Business secretary tells us the money has to get out of the door, and Published league tables – name and shame