

**Covid-19 Business Grants**

<b>Final Decision-Maker</b>	Economic, Regeneration and Leisure Committee
<b>Lead Head of Service</b>	Stephen McGinnes, Mid Kent Services Director
<b>Lead Officer and Report Author</b>	John Foster, Head of Regeneration and Economic Development.
<b>Classification</b>	Public
<b>Wards affected</b>	All

**Executive Summary**

The report provides a summary of progress to date in the administration of business support grants through the Covid-19 pandemic.

**Purpose of Report**

For noting.

**This report makes the following recommendations to this Committee:**

1. That the committee notes the progress to date in the administration of business support grants through the Covid-19 pandemic.

**Timetable**

<b>Meeting</b>	<b>Date</b>
Economic, Regeneration and Leisure Committee	16 March 2021

# Covid-19 Business Grants

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Impact on Corporate Priorities</b>	We do not expect the recommendations will by themselves materially affect achievement of corporate priorities.	Head of Regeneration and Economic Development
<b>Cross Cutting Objectives</b>	The report recommendation supports the achievement of the Deprivation and Social Mobility cross cutting objectives by supporting local businesses and jobs.	Head of Regeneration and Economic Development
<b>Risk Management</b>	Refer to section 5 of the report.	Head of Regeneration and Economic Development
<b>Financial</b>	Funding for each of element of the Business Grant Scheme has been provided by Government, with the cost of administration supported through a new burden assessment.	Director of Finance and Business Improvement
<b>Staffing</b>	The council has employed 4 additional staff on temporary contracts to assist with delivery of the grant schemes. The cost of which is met through Covid-19 related grants.	Head of Regeneration and Economic Development
<b>Legal</b>	The report is for noting and not decision, therefore there are no legal implications arising from the recommendation set out in the report. The administration of the Grants Scheme by the Council falls within the general power of competence granted to local authorities under Section 1 of the Localism Act 2011.	Corporate Governance Team Leader
<b>Privacy and Data Protection</b>	Accepting the recommendations will increase the volume of data held by the Council. We will hold that data in line with our retention schedules.	Policy and Information Team
<b>Equalities</b>	The recommendations do not propose a change in service therefore will not require	Head of Regeneration

	an equalities impact assessment	and Economic Development
<b>Public Health</b>	We recognise that the recommendations will not negatively impact on population health or that of individuals.	Head of Regeneration and Economic Development
<b>Crime and Disorder</b>	We recognise that the recommendations will not negatively impact on Crime and Disorder.	Head of Regeneration and Economic Development
<b>Procurement</b>	No impact.	Head of Regeneration and Economic Development

## 2. INTRODUCTION AND BACKGROUND

- 2.1 The Covid-19 pandemic has had significant impact on our communities and local economy. To help support business through the period of local and national restrictions a series of grants have continued to be introduced and delivered by the Council on behalf of Government.
- 2.2 The changing nature and impact of the pandemic has meant that the Council has had to be quick to respond to ensure that essential support is made available to businesses at the earliest opportunity. Decisions have therefore been made under delegation which enables the Chief Executive to take any action necessary in connection with any civil emergency or disaster including response, recovery and business continuity as may be required from time to time.
- 2.3 Decisions have been taken in consultation with the Leader of the Council and Chair of Economic, Regeneration and Leisure Committee. All decisions have been published and regular reports on progress made alongside other Covid-19 impacts to the Members Consultative Recovery Board.
- 2.4 To administer the scheme the Council created a project team with representatives from Economic Development, Revenues and Benefits, Digital, Finance, Audit and Communications with oversight provided by the Mid Kent Services Director.
- 2.5 The Council's approach has been to use business rates data and intelligence gathered through the initial lockdown (March 2020) to identify and promote the scheme to these businesses through direct email, along with wider awareness raising through press releases, social media campaigns and radio coverage.
- 2.6 The Council continues to target those businesses which it believes may qualify and are yet to apply with outbound calling to engage the business and address any concerns or barriers to making an application.

- 2.7 The application process has primarily been online with support for those unable to access the online process made available through the Council's contact centre.
- 2.8 To date the Council has made 7170 grant awards totalling £40 million. Appendix 1 details the grant allocation for each scheme.
- 2.9 The grants fall into four categories:
- Local Restrictions Support Grant (mandatory grants)
  - Local Restrictions Support Grant (open)
  - Additional Restrictions Grant (discretionary grants)
  - One off Grants (wet led pubs & closed business lockdown grant)

#### Local Restrictions Support Grant

2.10 The grant is targeted at businesses registered for business rates that have been mandated to close either as part of local or national Covid-19 restrictions. This primarily relates to non-essential retail, hospitality, and leisure sector businesses.

2.11 The level of award is set nationally and is based on the rateable value for premises occupied equivalent to:

Businesses occupying hereditaments with a rateable value of exactly £15,000 receive a payment of £667 per 14-day qualifying restriction period.

Businesses occupying hereditaments with a rateable value over £15,000 and less than £51,000 receive a payment of £1,000 per 14-day qualifying restriction period.

Businesses occupying hereditaments with a rateable value of exactly £51,000 receive a payment of £1,500 per 14-day qualifying restriction period.

2.12 Whilst the Council received an initial grant allocation the cost of the scheme is uncapped, meaning that additional funds will be made available from Government should the initial grant allocation be insufficient.

#### Local Restrictions Support Grant (open)

2.13 LSRG (Open) grant scheme was targeted at hospitality, hotel, accommodation, and leisure businesses that were still open but severely impacted by the Tier 3 restrictions from the 2 - 19 December into which Maidstone was placed following the national restrictions from 5 November to 2 December 2020.

2.14 The Council had the discretion to determine how to award LSRG (Open) grant funding but was only awarded £31,822.

2.15 With only limited funding available for the short period that the borough was in Tier 3, it was decided to share this award with visitor attractions that

have a wider bearing on the local economy and were permitted to remain open in Tier 3 for outdoor events and visits.

2.16 Those attractions experienced significantly reduced income with severe restrictions on visitor numbers permitted and facilities that could be used. Activities and events planned during this period were largely cancelled or re-engineered to suit small household groups. Mass gatherings were banned and events difficult to hold in a Covid-safe way. The Christmas period would normally have been one of the busiest times of the year for visitor attractions.

#### Additional Restrictions Grant

2.17 As a discretionary Scheme the Council has flexibility in terms of the type of businesses which it seeks to support and the level of support made available.

2.18 Funding was provided in the form of a fixed grant allocation totalling £3.4m for the period November 2020 to March 2022, to cover both discretionary businesses grants and wider business support activity.

2.19 The Councils approach has been to allocate 80% of the funding for distribution through businesses grants by June 2021, with 20% retained to provide a contingency and budget for wider business support activity.

2.20 The distribution of the grant funding has been released in a series of funding rounds, with the criteria for each round reviewed to take account of feedback from the business community and officers delivering the grants.

2.21 To date there have been three rounds of funding with the criteria for the last funding round summarised below.

- Non-essential retail, hospitality or and leisure that has been legally required to close; occupy a commercial workspace within the borough and are not the business ratepayer for the premises which they occupy
- Businesses must receive their primary source of income (over 50%) through the supply of goods or services to the sector (non-essential retail, hospitality or and leisure
- Business occupies commercial workspace within the Borough and is not legally required to close but has closed due to it not being possible to open in a Covid secure way either due to the nature of the business or premises occupied
- Small or micro business that has seen a significant reduction in income and have been unable to claim support through either the Self-Employed Income Support Scheme or any other Business Grant Schemes operated by the council.

2.22 A total of 613 discretionary grants have been paid to date, totalling £1.5m.

2.23 Awards levels have been set to be comparable to those under the mandatory scheme, except for businesses that have been able to remain open where the award has been set at 70% of the value.

#### One off Grants

2.24 A one-off payment of £1,000 was made to pubs who receive less than 50% of the income from the sale of food. A total of 77 pubs across the borough benefited from the grant with all pubs across the borough contacted with details of the scheme.

2.25 A one-off Closed Business Lockdown Grant was paid alongside the Local Restrictions Support Grant for the period ending 16<sup>th</sup> February. To date 775 businesses have benefited with awards ranging from £4,000 to £9,000 depending on the rateable value of the premises.

### **3. RISK**

3.1 Whilst this report is presented for information only and has no risk management implications, the administration of the Business Grants has some inherent risk.

Budget Allocated – the grant allocation for the Additional restrictions Grant is to cover an extended period and the Council therefore needs to balance both the current and potential future need for business support. The approach to profile spend through to Spring 2021 with a contingency of 20% retained is aimed at mitigating that risk, with demand and spend through the scheme reviewed on a regular basis.

Application Fraud – The risk is mitigated through the application process which aims to match details against the Council's existing business rates system, through the Government's 'spotlight' service which checks and validates applications against wider data including that held by Companies House and the requirement for applicants to provide supporting evidence e.g. bank statements to validate their identity and account for monies to be paid.

3.2 This process is supported by a pre- and post-payment assurance plan to ensure that systems and processes are secure and adequate checks are completed to identify and tackle any abuse of the system.

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#### **4. REPORT APPENDICES**

- Appendix 1: Grant allocation summary
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#### **5. BACKGROUND PAPERS**

- Officer decision (Additional Restrictions Grant)

[https://maidstone.gov.uk/home/primary-services/council-and-democracy/primary-areas/your-councillors?sq\\_content\\_src=%2BdXJsPWh0dHBzJTnBJTJGJTJGbWVldGIuZ3MubWFpZHN0b25lLmdvdi51ayUyRmlIRGVjaXNpb25EZXRhaWxzLmFzcHglM0ZJRCUzRDEzMzImYWxsPTE%3D](https://maidstone.gov.uk/home/primary-services/council-and-democracy/primary-areas/your-councillors?sq_content_src=%2BdXJsPWh0dHBzJTnBJTJGJTJGbWVldGIuZ3MubWFpZHN0b25lLmdvdi51ayUyRmlIRGVjaXNpb25EZXRhaWxzLmFzcHglM0ZJRCUzRDEzMzImYWxsPTE%3D)