

# ECONOMIC REGENERATION AND LEISURE COMMITTEE

14 July 2020

## Update on Covid-19 Business Grants

<b>Final Decision-Maker</b>	ECONOMIC REGENERATION AND LEISURE COMMITTEE
<b>Lead Head of Service</b>	<i>William Cornall</i>
<b>Lead Officer and Report Author</b>	John Foster
<b>Classification</b>	Public
<b>Wards affected</b>	<i>All</i>

### Executive Summary

*The report provides a summary of the Council's approach to managing business grants and other support provided by Government to businesses in response to the Covid 19 crises.*

### Purpose of Report

*Noting*

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

1. That the content of the report be noted.

### Timetable

<b>Meeting</b>	<b>Date</b>
Economic Regeneration and Leisure Committee	14 July 2020

# Update on Covid-19 Business Grants

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	<p><i>The four Strategic Plan objectives are:</i></p> <ul style="list-style-type: none"> <li>• <i>Embracing Growth and Enabling Infrastructure</i></li> <li>• <i>Safe, Clean and Green</i></li> <li>• <i>Homes and Communities</i></li> <li>• <i>A Thriving Place</i></li> </ul> <p>• <i>The activity set out in the report directly supports local businesses through the Covid 19 crises and the objective Thriving Place.</i></p>	Head of Regeneration and Economic Development
<b>Cross Cutting Objectives</b>	<p><i>The four cross-cutting objectives are:</i></p> <ul style="list-style-type: none"> <li>• <i>Heritage is Respected</i></li> <li>• <i>Health Inequalities are Addressed and Reduced</i></li> <li>• <i>Deprivation and Social Mobility is Improved</i></li> <li>• <i>Biodiversity and Environmental Sustainability is respected</i></li> </ul> <p>• <i>The report recommendation neither supports or impairs the achievement of the cross cutting objectives.</i></p>	Head of Regeneration and Economic Development
<b>Risk Management</b>	<ul style="list-style-type: none"> <li>• <i>Refer to paragraph 5 of the report</i></li> </ul>	Head of Regeneration and Economic Development
<b>Financial</b>	<ul style="list-style-type: none"> <li>• <i>The grants set out in the report are fully funded from central Government. The cost of administering the grant should be met from New Burdens costs.</i></li> </ul>	Section 151 Officer & Finance Team
<b>Staffing</b>	<ul style="list-style-type: none"> <li>• <i>We will deliver the recommendations with</i></li> </ul>	Head of Regeneration

	<i>our current staffing, albeit some staff were seconded from other areas of the Council to support this work.</i>	and Economic Development
<b>Legal</b>	<ul style="list-style-type: none"> <li><i>The Council is able to give out Small Business Fund and Retail Hospitality and Leisure grants under section 31 of the Local Government Act 2003 but some small businesses are not eligible. The Local Discretionary Grant Scheme is an additional fund aimed at ineligible small businesses. Central government has provided funding for the Council to allocate grants and make payments under the Scheme.</i></li> </ul>	Team Leader (Corporate Governance), MKLS
<b>Privacy and Data Protection</b>	<ul style="list-style-type: none"> <li><i>Accepting the recommendations will increase the volume of data held by the Council. We will hold that data in line with our retention schedules.</i></li> </ul>	Policy and Information Team
<b>Equalities</b>	<ul style="list-style-type: none"> <li><i>The recommendations do not propose a change in service therefore will not require an equalities impact assessment</i></li> </ul>	Policy & Information Manager
<b>Public Health</b>	<ul style="list-style-type: none"> <li><i>The report highlights how the council has delivered the COVID-19 Business Grants schemes which are a response to the economic implications caused by a public health crisis which has had and will continue to have connotations on the wider determinants of health. The outbreak of COVID-19 has shown that health and work/business are inextricably linked.</i></li> </ul>	Senior Public Health Officer
<b>Crime and Disorder</b>	<ul style="list-style-type: none"> <li><i>The recommendation will not have a negative impact on Crime and Disorder. The Community Protection Team have been consulted and mitigation has been proposed</i></li> </ul>	Head of Regeneration and Economic Development
<b>Procurement</b>	<ul style="list-style-type: none"> <li><i>No procurement issues are relevant.</i></li> </ul>	Head of Service & Section 151 Officer

## **2. INTRODUCTION AND BACKGROUND**

2.1 The closure of much of the economy, announced by Government due to Covid 19, has had significant impacts on businesses and employees. To mitigate this impact the Government's response was to introduce several measures to support them. The Council very quickly set up a cross disciplinary group with the objective of providing co-ordinated support to local businesses. The Council has worked closely with partners to publicise details of support available via its website and social media and administered various programmes of support.

2.2 The Government's response to the Covid19 crisis and its impact on the economy was to launch a raft of grant and loan schemes for businesses and charities together with the Job Retention Scheme and other initiatives including:

- all retail, hospitality, and leisure businesses in England to receive a 100% business rates holiday for the next 12 months
- grant funding of £25,000 for retail, hospitality, and leisure businesses with property with a rateable value between £15,000 and £51,000
- increase in grants to small businesses eligible for Small Business Rate Relief or rural rate relief from £3,000 to £10,000
- the Coronavirus Business Interruption Loan Scheme offering loans from £1,000 to £5 million, and ensuring businesses can access the first 6 months of that finance interest free, as Government will cover the first 6 months of interest payments
- support for liquidity amongst large firms, with a major new scheme being launched by the Bank of England to help them bridge COVID-19 disruption to their cash flows through loans
- Bounce back Loan Fund, a 100% Government guaranteed small business loan of between £2,000 and £50,000, interest free for the first 12 months.
- Corona Virus Job Retention Scheme, where employers with a PAYE scheme can access support to continue paying 80% of their employees' salary for those that would otherwise have been laid off.
- Self-Employment Income Support Scheme Grant for self-employed individuals or partnerships, 80% of profits up to a cap of £2,500 per month.
- confirmation that Government advice to avoid pubs, clubs and theatres etc. is sufficient for businesses to claim on their insurance where they have appropriate business interruption cover for pandemics in place
- relaxation in planning regulations to allow pubs and restaurants to start providing takeaways without a planning application.

2.3 The Council worked with other Local Authorities in Kent and Medway to commission a hotline service, delivered by the Kent and Medway Growth Hub, which can offer businesses advice and guidance about all these schemes. The take up of this service by Maidstone based businesses is the highest in Kent following extensive promotion by the Economic Development Team.

## Business Rates Relief

- 2.4 The Government made several changes for retail business rates relief. Prior to Covid19 small retail businesses received 33% relief. This was raised to 50% for small businesses, then increased from 50% to 100%; this was subsequently applied for all retail premises and extended to the hospitality and leisure sector where all premises now have a business rates payment holiday for a year irrespective of size.
- 2.5 The Business Rates team reissued Business Rates bills to those eligible businesses in the retail, hospitality, and leisure sectors stating that they will not pay business rates in 2020-21. There was no need for businesses to apply for the relief.

## Small Business Grant Fund and the Retail Hospitality and Leisure Fund

- 2.6 The Council was allocated £27,608,000 by the Government to deliver the Small Business Grant Fund and the Retail, Hospitality and Leisure Fund to local businesses. Cross departmental work between Economic Development, Business Rates, Finance, Audit, Communications and the Digital Teams has resulted, as of 18th June, in the payment of 98.21% of the fund to over 2,100 of the 2,222 potentially eligible businesses. This performance is the highest in Kent and 22nd in the country.

## Discretionary Grant Scheme

- 2.7 The Government recognised that some small and micro businesses and local charities were not eligible for the grants mentioned in paragraph 2.7 and launched a Discretionary Grant scheme. The cost of the scheme is funded by Government up to a cap for Maidstone borough of £ £1,425,250, with the expectation that most grants would be £10,000 or less. MBC produced a Grant Policy and launched its scheme by the 18th May and publicised it extensively. The deadline for grant applications was the 8th June; 316 applications were received. Following assessment of these applications to check eligibility and need, payments have been made commencing from the 15th June.

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## **3. RISK**

- 3.1 This report is presented for information only and has no risk management implications.

## **4. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 4.1 In consultation with the Leader of the Council and the Chairman of Economic Regeneration and Leisure Committee, an officer decision was then made setting out the policy by which Discretionary Grants awards would be made.
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**5. REPORT APPENDICES**

*None*

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**6. BACKGROUND PAPERS**

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