

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

DECISION

Agenda Item No 8

meeting date: 17 NOVEMBER 2020
title: COVID 19: BUSINESS GRANTS UPDATE
submitted by: DIRECTOR OF RESOURCES
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1 PURPOSE

- 1.1 To provide an update regarding the various Business Support Grants awarded during the Covid pandemic and also inform members of the latest grant schemes announced due to further local and national restrictions
- 1.2 For members to agree with the actions taken in providing grant support to Ribble Valley businesses.

2 BACKGROUND

- 2.1 Back in March, in response to Covid-19, the Government announced there would be support for small businesses, and businesses in the retail, hospitality and leisure sectors.
- 2.2 This support will take the form of two grant funding schemes, the Small Business Grant Fund (SBGF) and the Retail, Hospitality and Leisure Grant Fund (RHLGF).
- 2.3 On 24 March the Secretary of State for Business, Energy and Industrial Strategy, Alok Sharma Grant announced the funding for both schemes. Ribble Valley Borough Council was awarded £18.926m

Small Business Grant Fund

- 2.4 Under the Small Business Grant Fund all businesses in England in receipt of Small Business Rates Relief (SBRR) and Rural Rates Relief (RRR) in the business rates system is eligible for a payment of £10,000

Retail, Hospitality and Leisure Grant

- 2.5 Under the Retail, Hospitality and Leisure Grant businesses in England in receipt of the Expanded Retail Discount (which covers retail, hospitality and leisure) with a rateable value of less than £51,000 will be eligible for the following cash grants per property.
 - a property that has a rateable value of up to £15,000 will receive a grant of £10,000
 - a property that has a rateable value of over £15,000 and less than £51,000 will receive a grant of £25,000
- 2.6 A business must have been trading on 11 March to be eligible. Also certain exclusions apply to both schemes eg Hereditaments occupied for personal uses. eg private stables and loose boxes, beach huts and moorings. Also Car parks and parking spaces.
- 2.7 Businesses which as of the 11 March were in liquidation or were dissolved are not eligible.

Discretionary Business Grant Scheme

- 2.8 On 1 May 2020 the Government announced that it was providing local authorities with additional funding **to target small businesses with high fixed property-related costs** but that were not eligible for the Small Business Grant (SBG) or Retail, Hospitality and Leisure (RHL) Grant schemes. An additional 5% of the SBG & RHL grant scheme funding was awarded for each local authority.
- 2.9 Whilst the Government stated that they wanted local authorities to exercise their local knowledge and discretion they asked that the following types of businesses be prioritised from this funding pot:
- Small businesses in shared offices or other flexible work spaces eb industrial parks, science parks, incubators etc, which do not have their own business rates assessment
 - Regular marked traders who do not have their own business rates assessment
 - B&B's 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
- 2.10 They stated that grants should be capped at £25,000 with the next tier of grants at £10,000 with local authorities to decide on levels of payments below £10,000. Businesses who have received an SBG or RHL grant were excluded from the scheme as were self employed who were eligible for the Self Employment Income Support Scheme (SEISS)
- 2.11 Detailed guidance was eventually issued on 13 May 2020 by the Department for Business, Energy and Industrial Strategy (BEIS) with a briefing for local authorities held on 15 May 2020 led by Jenny Dibden from BEIS. It was open to local authorities to design their own scheme and whether to provide funding in rounds as opposed to a first come first served basis.
- 3 RIBBLE VALLEY – SBG & RHLG Schemes
- 3.1 As you are aware the Government urged local authorities to pay these grants as soon as possible and initially said all payments should be made by the end of April.
- 3.2 As soon as these schemes were announced we created an 'information gathering form' which included a necessary state aid declaration and sent these out to all business who we identified **may** be eligible.
- 3.3 Necessary checks were completed on returned forms and payments began in earnest from 1 April 2020. This was a huge workload and involved a cross section of staff from within the revenues and benefits section and also the financial services section. Many of the grant payments involved some very challenging cases.
- 3.4 The schemes closed on 28 August 2020. We paid out grants totalling £17,260,000 to 1,544 businesses.
- 4 RIBBLE VALLEY - DISCRETIONARY GRANT SCHEME

- 4.1 It was clear that we needed to design an online application process for this scheme in order to collect the necessary information.
- 4.2 On Friday 22 May 2020 BEIS issued version 2 of the Discretionary Grant Fund guidance. The main and important change in the second version was that businesses eligible for a grant from the SEISS would now be eligible for a Discretionary Grant.
- 4.3 A conference call was held on 27 May 2020 with the Leader and Shadow Leader to discuss our proposed scheme and using delegation powers to the Chief Executive in consultation with them the following was agreed:
- Rather than approve a definitive scheme at that stage we decided to publish the Government's criteria and guidance and open an application window to invite applications before deciding on grant levels etc to ensure we were within the funding pot available of £867,750.
 - The window for Round 1 opened on 29 May 2020 and closed on 15 June 2020.
 - To make clear in our scheme that any canvassing of officers or members would result in an application being refused.
- 4.4 A press release and also publicity re the scheme on social media was published with frequent reminders regarding the closing date for applications.

5 APPLICATION ROUNDS

- 5.1 In Round 1 183 applications were received. On considering the applications it quickly became apparent that a significant number were from businesses based from a home address with no significant on-going fixed property related costs other than their mortgage.
- 5.2 We then finalised our scheme using the Government's criteria along with our local priorities and made clear that businesses with no significant ongoing fixed property related costs would not be eligible under this scheme eg mobile businesses and businesses based from a home address with the exception of B&B's:

Small Businesses in Shared Offices or Other Flexible Workspaces

Basis of grant awarded	Level of Grant
Level of Grant awarded will initially be based upon level of fixed property related costs but other factors such as number of employees and impact of COVID-19 on income levels will be taken into account	£1,500
	£5,000
	£10,000
	£25,000

Regular Market Traders

(Must be trading as at least once per week within Ribble Valley Borough)

Basis of grant awarded	Level of Grant
Market traders trading at least once per week who meet the criteria	£1,500

Bed and Breakfast which Pays Council Tax

Basis of grant awarded	Level of Grant
Bed and Breakfast businesses who meet the criteria	£10,000

Charity Properties in Receipt of Charitable Relief

Basis of grant awarded	Level of Grant
Charities who meet the criteria with a rateable value below £15,000	£10,000

Local priorities

Businesses within the hospitality and leisure sector or who predominately supply to this sector, the tourism sector or support the tourism section and children's nurseries in receipt of nursery discount. There will two levels of grant payments of £5,000 and £10,000 as follows:

Grant Payment	Rateable Value
£5,000	Upto £15,000
£10,000	Between £15,001 and £51,000

5.3 In total three application rounds were held and grants were awarded as follows.

Summary of Applications Received		
Category	No	Grant Awarded £
Local Charities that specifically support residents of Ribble Valley	4	£25,000
Regular market traders who do not have their own business rate assessment	3	£4,500
Bed and Breakfast accommodation identified as paying council tax not business rates	6	£60,000
Shared workspaces	65	£197,500
Local Priority	17	£90,000
Nurseries	6	£60,000
No significant on-going fixed property costs	75	£0
Not eligible	65	£0
RV>51k	34	£345,000
Total	275	£867,000

5.4 As with the SBG and RHLG schemes the Discretionary Grant scheme closed on 28 August 2020.

6 TIER 3 LOCAL RESTRICTION GRANTS AND NATIONAL RESTRICTION GRANTS

6.1 On 17 October 2020 Ribble Valley (along with the rest of Lancashire) entered into Local Covid Alert Level 'Very High' restrictions. In addition to the extra support for businesses negotiated with the Government of £30m for Lancashire, it was announced there would be grants for businesses which were required to close as a result of the new restrictions and this grant would be for each 2 week qualifying period the business was closed. Such businesses are:

- pubs and bars (unless they serve substantial meals)
- soft play areas
- adult gaming centres
- betting shops
- bingo halls
- car boot sales

6.2 Grants would be payable based on rateable values:

- If the rateable value is £15,000 or lower the business will receive £667 per two-week qualifying restriction period;
- If the rateable value is over £15,000 and less than £51,000 the business will receive £1,000 per two-week qualifying restriction period;
- If the rateable value is £51,000 or above the business will receive £1,500 per two-week qualifying restriction period.

6.3 We were awaiting detailed guidance of how the scheme would work and also in discussions within Lancashire as to how the extra £30m would be shared out and used, In the meantime, the Chancellor of the Exchequer announced on 22 October 2020 a grant scheme for businesses impacted by Tier 2 restrictions, even if they aren't legally closed. He stated this would benefit businesses in the hospitality, leisure and accommodation sectors with a direct grant worth up to £2,100 for every month Tier 2 restrictions apply. This is equivalent to 70% of the value of the grants available for closed businesses in Tier 3.

6.4 Despite receiving no final detailed guidance or funding we decided to go live on Monday 2 November 2020 with an online application process for businesses required to close as a result of entering Tier 3 restrictions. We have and continue to receive a large number of requests from businesses regarding the business grants available to them.

6.5 On 31 October the Prime Minister announced there would be National Restrictions from 5 November 2020 until 2 December 2020.

6.6 Only on 4 November 2020 (the date of writing this report) we received guidance regarding the further new grant support schemes for businesses.

- Local Restrictions Support Grant (Open)
- Local Restrictions Support Grants (Closed)

- Local Restrictions Support Grant (Sector)
- Additional Restrictions Grant

6.7 These will be extremely complex to administer. We are urgently seeking guidance as to how these schemes link together/overlap. Grant allocations have not yet been issued but we understand we will receive notification in the next few days.

7 RECOMMENDED THAT

7.1 Members agree with the actions taken to award grants to Ribble Valley businesses.

DIRECTOR OF RESOURCES

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4 NOVEMBER 2020