

## **BUSINESS SUPPORT GRANTS**

### **1. INTRODUCTION**

- 1.1 This report follows on from the previous report presented to the panel in November 2020, which detailed business support grant payments of £41,135,000 to small businesses and those in the retail, hospitality and leisure sectors, and £2,195,000 paid out in discretionary grant payments.
- 1.2 This purpose of this report is to provide a summary of the support given to businesses via the government's various Business Support Schemes since November 2020.
- 1.3 Since November 2020, the government has provided further funding to councils to administer the following business support grants to ratepayers:
1. Local Restrictions Support Grant (Closed) Addendum November to December 2020
  2. Local Restrictions Support Grant (Closed) due to tier restrictions
  3. Local Restrictions Support Grant (Open) due to tier restrictions
  4. Christmas Support Payment for wet-led pubs
  5. Closed Business Lockdown Payment
  6. Local Restrictions Support Grant (Closed) 5 January – 31 March 2021
  7. Restart Grants
- 1.4 The schemes closed at various times, as detailed in government guidance, and weekly returns were submitted via DELTA to record eligibility and payments made.
- 1.5 The government provided detailed guidance on the types of businesses eligible for each of the above grants and supplementary FAQ's. Eligibility was principally based on our records of ratepayers and the rating list on specified dates and the nature of the business use of the property.

### **2. BUSINESS SUPPORT GRANTS**

- 2.1 From the various rate-based business support grants, a total of £31,265,933 has been distributed to businesses since November 2020, summarised below:

#### **2.2 Local Restrictions Support Grant (Closed)**

The Local Restriction Grant was to support businesses during the national restrictions during the period 5 November 2020 to 2 December 2020 that provide in-person services from their business premises. Eligibility was principally based on our records of ratepayers and the rating list on 5 November.

The grant award was a one-off payment, with the amount as follows:

Grant Payment	Criteria
£1,334	Businesses with a rateable value of less than £15,000
£2,000	Businesses with a rateable value between £15,000 and £51,000
£3,000	Businesses with a rateable value £51,000 or above

Total Grants Paid	No. of businesses awarded a grant
£2,522,716	1,616

### 2.3 Local Restrictions Support Grant (Open)

The Local Restrictions Support Grant (Open) was to support businesses from 2 December 2020 where are not legally required to close but which are severely impacted by the localised restrictions on socialising due to the Tier 2 and 3 restrictions. The support was aimed primarily at hospitality, hotel, bed & breakfast, and leisure businesses.

The grant amounts per 14-day period were:

Grant Payment	Criteria
£467	Businesses with a rateable value of less than £15,000
£700	Businesses with a rateable value between £15,000 and £51,000
£1,050	Businesses with a rateable value £51,000 or above

Total Grants Paid	No. of businesses awarded a grant
£777,089	886

### 2.4 Local Restrictions Support Grant (Closed)

The Local Restrictions Support Grant (Closed) was to support businesses from 2 December 2020 were legally required to close and impacted by the localised restrictions on socialising due to the Tier 2, 3 and 4 restrictions for the period 2 December 2020 to 4 January 2021. The support was aimed primarily at hospitality, hotel, bed & breakfast, and leisure businesses.

The grant amounts per 14-day period were:

Grant Payment	Criteria
£667	Businesses with a rateable value of less than £15,000
£1,000	Businesses with a rateable value between £15,000 and £51,000
£1,500	Businesses with a rateable value £51,000 or above

Total Grants Paid	No. of businesses awarded a grant
£678,839	2,447

The actual grant award amounts were proportioned where restrictions lasted less than 14 days.

### 2.5 Christmas Support Payment for wet-led pubs

The Christmas Support Payment grant scheme was developed in response to an announcement made by the government on 1 December 2020, and set out to provide additional support over the festive period for wet-led pubs in areas under Tier 2 or 3 restrictions for all or part of the period between 2 December 2020 and 29 December 2020.

The grant amounts were:

Grant Payment	Criteria
£1,000	For pubs that derive less than 50% of its sales from food and were: a) Open to the general public b) Allow free entry other than when occasional

	entertainment is provided c) Allow drinking without requiring food to be consumed, and d) Permit drinks to be purchased at a bar
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Total Grants Paid	No. of businesses awarded a grant
£62,000	62

## 2.6 Closed Business Lockdown Payment

The Closed Business Lockdown Payment grant scheme was to provide additional support for businesses legally forced to close from 5 January 2021 due to the introduction of national restrictions.

The grant award was a one-off payment, with the amount as follows:

Grant Payment	Criteria
£4,000	Businesses with a rateable value of less than £15,000
£6,000	Businesses with a rateable value between £15,000 and £51,000
£9,000	Businesses with a rateable value £51,000 or above

Total Grants Paid	No. of businesses awarded a grant
£7,675,550	1,644

## 2.7 Local Restrictions Support Grant (Closed) Addendum 5 January 2021 onwards

Businesses mandated to close were eligible for grants for the period 5 January 2021 to 15 February 2021, and for the period 16 February 2021 to 31 March 2021.

Grant amounts for the period 5 January 2021 to 15 February 2021 were:

Grant Payment	Criteria
£2,001	Businesses with a rateable value of less than £15,000
£3,000	Businesses with a rateable value between £15,000 and £51,000
£4,500	Businesses with a rateable value £51,000 or above

Total Grants Paid	No. of businesses awarded a grant
£3,865,629	1,656

Grant amounts for the period 16 February 2021 to 31 March 2021 were:

Grant Payment	Criteria
£2,096	Businesses with a rateable value of less than £15,000
£3,143	Businesses with a rateable value between £15,000 and £51,000
£4,714	Businesses with a rateable value £51,000 or above

Total Grants Paid	No. of businesses awarded a grant
£4,027,999	1,642

Over the two periods a total of £7,893,628 has been paid to businesses.

## 2.8 Restart Grant

The Restart Grant provided additional support for businesses legally forced to close with reopening safely in the non-essential retail, hospitality, accommodation, leisure,

personal care, and sports/gym sectors. This grant was intended to support businesses that are predominantly reliant on delivering in-person services for the general public, where the main activity takes place in a fixed rate-paying premises, in the relevant sectors

The Restart Grant is a one-off payment for business ratepayers who were the ratepayer on 1 April 2021. All eligible businesses received an email notifying them how to apply for the Restart Grant. The grant had two strands:

1. Non-essential retail

Grant Payment	Criteria
£2,667	Businesses with a rateable value of less than £15,000
£4,000	Businesses with a rateable value between £15,000 and £51,000
£6,000	Businesses with a rateable value £51,000 or above

Total Grants Paid	No. of businesses awarded a grant
£1,454,111	467

2. Businesses in the hospitality, leisure, accommodation, personal care, and sports/gym sectors:

Grant Payment	Criteria
£8,000	Businesses with a rateable value of less than £15,000
£12,000	Businesses with a rateable value between £15,000 and £51,000
£18,000	Businesses with a rateable value £51,000 or above

Total Grants Paid	No. of businesses awarded a grant
£10,202,000	1,075

The scheme closes for applications on 30 June 2021 and to date a total of £11,656,111 has been paid to 1,542 businesses.

### 3. ADDITIONAL RESTRICTIONS SUPPORT GRANTS

- 3.1 The government provided councils with discretionary funding to support businesses which have been impacted by the pandemic and who are not eligible for the rate-based support grants detailed above. The funding can also be used for wider business support.
- 3.2 The initial funding from government was £3,601,720 and a further amount of £1,599,713 was received, totalling £5,201,433. Grant funding has to be fully distributed by 30 June 2021 so that the council is able to claim further grant funding of £1,402,655 to provide additional support to businesses.
- 3.3 In consultation with Portfolio Holder for Finance, Investment and Corporate Services and the Portfolio Holder for Economic Development we developed our first scheme to prioritise support based on locally evidenced need. This included:
- businesses in the retail, hospitality, events, and leisure sectors
  - businesses in the immediate supply chain for the above sectors
  - business required to close by law, but which do not pay business rates (and are therefore not eligible for the Local Restrictions Support Grants (LRSG))
- 3.4 Businesses had to demonstrate that they were located in the New Forest, were trading in the relevant sectors and solvent, were impacted by the restrictions, were

compliant in laws and regulations, and had to provide bank statements. The funding was available to businesses with fixed property costs and home-based businesses.

- 3.5 To fully utilise the funding and continue support to the largest range of businesses within the District, four separate schemes were developed. The second ARG scheme broadened support to businesses to include manufacturing, engineering, and registered childcare providers. In addition, to support the impact on Taxi Drivers a specific scheme was developed for taxi drivers licenced by the council. The fourth scheme was targeted at larger businesses who support the retail and hospitality supply chain, whose trade was severely impacted by restrictions.

ARG 1 – 5 November 2020 to 1 December 2020

Grant Payment	Criteria
£750	Businesses based in a domestic dwelling
£1,334	Businesses with fixed premises costs of less than £15,000
£2,000	Businesses with fixed premises costs between £15,000 and £51,000
£3,000	Businesses with fixed premises costs of £51,000 or above

Total Grants Paid	No. of businesses awarded a grant
£514,932	487

ARG 2 – 2 December 2020 to 15 February 2021

Grant Payment	Criteria
£2,375	Businesses based in a domestic dwelling
£4,667	Businesses with fixed costs of less than £15,000
£7,000	Businesses with fixed costs between £15,000 and £51,000
£10,5000	Businesses with fixed costs of £51,000 or above

Total Grants Paid	No. of businesses awarded a grant
£2,540,243	705

ARG 3 – 16 February 2021 to 31 March 2021

Grant Payment	Criteria
£1,048	Businesses based in a domestic dwelling
£2,096	Businesses with fixed costs of less than £15,000
£3,143	Businesses with fixed costs between £15,000 and £51,000
£4,714	Businesses with fixed costs of £51,000 or above

Total Grants Paid	No. of businesses awarded a grant
£1,209,680	749

The breakdown of additional grants payments is tabulated below:

Scheme	No. of businesses awarded a grant	Total amount awarded
ARG 3 Top-up	305	£306,078
ARG 4	2	£120,000
Taxi Driver	458	£458,000

In addition to the above grant schemes we have provided funding for:

- Blue Funnel Ferries – A grant of £22,500 to support Hythe Ferry
- New Forest Business Partnership – A grant of £30,000 to support event sponsorship and wider business support

3.6 The total Additional Restrictions Grant funding distributed is £5,201,433. As this has been completed before 30 June 2021, we will be applying for the additional grant funding and developing a further scheme to continue to support businesses.

#### **4. SCHEME ADMINISTRATION**

4.1 The government provided guidance for the business support grants affected by the tier restrictions, as well as regular updated FAQ's. However, due to the changes in tiers, moving from into tier 2, then into tier 3, the into tier 4 and then into national restrictions this rapid changing landscape meant policies, procedures, webpage and eforms had to be agreed and developed quickly, and numerous phone calls and emails answered promptly.

4.2 Businesses were able to claim their grants via an eform which we developed in-house. The e-form gathered all the relevant information, including a declaration on state aid and subsidy allowances, and had built in security and validation checks and enabled filtering to authorise grants promptly. The eform enabled various grants to be claimed with one application. We undertook data-matching with our back-office system to ensure there was still an active business rates account.

4.3 To encourage maximum take-up of the grants the schemes were promoted via social media, website, weekly businesses enews and through network channels. E-mails were sent to businesses to encourage and promote the schemes. E-mail notifications were sent to previous business grant recipients, and for ARG applicants a shortened form was developed for those that had received a previous grant to simplify the process.

4.4 Feedback from businesses has been very positive in our prompt payment of grants and notifications.

4.5 We did receive contact from numerous businesses that were ineligible and undertook several reviews. We also received correspondence from MP's and national organisations.

4.6 We undertook checks using Spotlight to grant recipients of the Local Restrictions Support Grant (Closed). As per government advice all applications for Restart Grant were checked using Spotlight and the National Fraud Initiative data matching.

4.7 The Department for Business, Energy and Industrial Strategy (BEIS) have provided additional new burdens funding of £304,800 for administering the schemes, with further funding to be confirmed.

4.8 We are currently in the process of providing BEIS with reconciliation information, this will include proving a sample of applications and details of payments made.

4.9 Following the government's announcement on 14 June 2021 to extend the restrictions, there are currently no proposals to provide any further rate-based business support grants.

4.10 The Revenues and Benefits service administered the grant schemes, developing eforms, making payments, and providing statistics, supported by Economic Development who managed the Additional Restrictions Grants. This joint working across portfolios will continue going forward when communicating with businesses.

- 4.11 Administering these schemes to support businesses has improved engagement and communication with businesses including subscriptions to business enews increasing by 845. Our Economic Development Team are using this as an opportunity to shape current and future policies and will continue to build relationships with the businesses sector.

## 5. RECOMMENDATIONS

- 5.1 To note the contents of this report.

### **Further Information:**

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### **Background Information:**

Corp. O&SP Nov 2020