

Subject:	Covid-19: Business Support Update		
Date of Meeting:	24th June 2020		
Report of:	Executive Director Economy, Environment and Culture		
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Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 This report updates members on the programme of work being undertaken by the Economy and Events Cell that has been set up to respond the Covid-19 Crisis.
- 1.2 The report sets out the latest position with regards the issuing of small business grants and retail, leisure and hospitality grants. It also sets out the latest position with regards the discretionary grant scheme, the principles of which were agreed by this sub-committee on 29th May, 2020.

2. RECOMMENDATIONS:

- 2.1 That the sub-committee notes the work being undertaken to deliver business rates relief and business grants to local businesses.
- 2.2 That the sub-committee notes the work being undertaken to deliver discretionary business grants to local businesses.
- 2.3 That the sub-committee agrees to the city council continuing to press the government for any unspent grant money left in the small business grant fund to be reallocated to the discretionary grant fund so it can be targeted at protecting the city's economy.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 Previous reports to Policy and Resources, and to this sub-committee or P&R, have set out that the current Covid-19 pandemic will have a significant detrimental impact on the nation's and the city's economy and will affect many local businesses. It will mean that some businesses cannot continue to trade or function; there will be a rise in unemployment and a general slow-down of economic and community activity.

Business Grants

- 3.2 The report on business support to the 29th May 2020 meeting of this sub-committee set out that the Government has created a package of support

measures with the aim of supporting businesses through the period of the public health crisis. The city council has been responding to and delivering the government support programme. This has meant giving £70m in business rates relief and issuing small business and retail, leisure and hospitality grants. As of 12th June the city council has issued 4774 such grants, to a value of £65.080m and the team are continuing to look for any businesses that have not claimed the grant. Councillors have also been given lists of possible premises in their wards where businesses might be eligible for a grant that has not been claimed and have used their local knowledge or have gone to investigate to help drive take up of the grants.

- 3.3 The council originally received £82.884m funding to cover the grants based on high level government assumptions. The council’s original estimate was £73.540m and currently allocations are £8.460m below this. The council has also been awarded £3.680m to fund a Local Discretionary Grants scheme to be funded from the original allocation. The following table shows the amount of this grant unused currently.

	£m
Grant Allocation	83.884
Grants issues to date	-65.080
discretionary grants scheme	-3.680
Unused to date	15.124

- 3.4 It is not expected that many more grants will be taken up leaving a substantial level of funding unable to be allocated locally. The council, the city’s MPs and city business groups have all called for the remainder of the fund to be reallocated to the discretionary fund which, as set out below, is oversubscribed. Additional money in the discretionary grant fund could be targeted at helping more businesses that are important to the city’s economy and would aid the economic recovery. For this reason it is proposed that the city council continue to work with city partners to press the government for any unspent grant money left in the small business grant fund to be reallocated to the discretionary grant fund, rather than the money being rediverted away from the city.

Discretionary Business Grants

- 3.5 At a meeting of this sub-committee on 29th May, 2020, Members agreed to the rationale and process for administering a pot of discretionary grants for business, and delegated the agreement of the detail of the application and assessment process to the Executive Director Economy, Environment and Culture, and acting Chief Finance Officer.
- 3.6 It was agreed that the Brighton & Hove discretionary fund would prioritise the following businesses:
- Events
 - Arts, culture and creative industries
 - Retail
 - Business in shared work space and the managers of shared workspaces
 - Charities, Community Interest companies and third sector organisations who undertake commercial operations
 - Businesses with high fixed costs that do not pay business rates

- Locally based businesses in leisure including bed & breakfasts
 - Long established companies that have invested in their business
 - Market traders with fixed locations in the city and with fixed costs
 - Businesses employing between 20 and 50 employees or with high turnover
- 3.7 The report set out that applications to the fund would be via the MyAccount online portal which is already set up to capture business information, and that eligible applications would be assessed against the following assessment criteria, which support the goals of the Economic Strategy and the Corporate Plan:
- **Local economic importance** - no of jobs saved, delivering essential services, businesses with a record of supporting city resilience during the Covid 19 crisis, community/ social value, importance to a local area
 - **Supporting the city's economic success** - through wage levels, generation of employment, levels of export (a marker of business resilience), able to demonstrate business innovation (creating new products or services)
 - **Supporting key sectors/sub-sectors** - the role the business plays in local networks such as providing services or as a link in a chain that creates or delivers products or services, integral to the delivery of city strategies such as skills training delivery
 - **Commitment to a carbon neutral city** - what actions has the business taken to reduce carbon emissions, (for example; reuse / recycling of materials, waste management, use of sustainable transport for staff / products)
 - **Impact** - loss of the business leading to additional costs to the city, e.g. avoiding the need to recommission a service or procure the service from other suppliers
 - **Levels of future Investment** - evidence of investment during the last 12 months in upgrades to premises, new equipment, staff training and apprenticeships, new modes of operation such as investment in digitisation or other forms of diversification.
 - **Purpose** - Able to explain what they are using the money for, evidence that they have coherent plans for the future of the business and evidence that the business has a viable future
- 3.8 Grants were available for values of £25,000, £10,000 or £2,500. The different levels of grants were aimed at different sizes or types of business.
- 3.9 The scheme was publicised daily through the council's channels in the run-up to the portal opening and during the application process up until the deadline of 12 June. Channels included social media, Covid-19 business and news web pages, print and broadcast media, partner newsletters and LinkedIn. A Twitter thread was used to highlight the different kinds of organisations that could apply.
- 3.10 Members and MPs received a separate briefing when the portal opened and it was further highlighted in two city briefings (circulated to councillors, MPs and internal contacts and posted on our public website). The information was shared with businesses by a range of partners, including the Brighton & Hove Economic Partnership, Brighton Chamber of Commerce, VisitBrighton, Cultureinourcity.com, and the communities, events, property and environmental health and licensing teams.
- 3.11 On the council's channels (from the portal going live on 3 June to 11 June), 34,372 people were reached across Facebook and Twitter, 731 people interacted

with the post and 247 users clicked on the link to access the portal and online application. There were 3,000 individual page views on the website guide and 2,685 views to the online form.

- 3.12 The application process closed at midnight on Friday 12th June. By that point 916 bids had been submitted, seeking grants to a value of £10,787,500. Of these, 204 bids were for £25,000, 521 were for £10,000 and 191 were for £2,500.
- 3.13 Some early bids were assessed during the week commencing 8th June to ensure some grants were paid quickly, with the first payments due to be made on Friday 12th June.
- 3.14 At the time of writing the assessment process for the bids is underway, and so a verbal update will be given to the committee about the number and type of grants paid and the types of businesses helped.

Community and Voluntary Sector

- 3.15 The business grant schemes that have been available through government funding, and the Discretionary Business Grant scheme have been advertised to the Third Sector using the council's web site, council twitter and other social media, and through the city's infrastructure organisation Community Works. Community Works has a membership of 500 CVS organisations across the city.

Commercial Tenants

- 3.16 On the 30th April 2020, P&R Committee agreed to grant delegated authority to the Executive Director of Economy, Environment & Culture, in consultation with the Chief Finance Officer, to negotiate and conclude alternative payment arrangements, deferral or reduction, on a case-by-case basis, in relation to its commercial tenants who were struggling with rental payments. A process for considering these cases has now been agreed and where tenants have indicated they are struggling with their rent at this time their individual circumstances are being considered.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 This report is mainly for noting, so alternative options are not considered.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 One of the main work streams of the Economy and Events Cell has been publicising to businesses how they can operate in these challenging circumstances, and how they can access various support packages being proposed.
- 5.2 The work being done by BHEP referenced above will feed information into the city council's resilience planning over the coming weeks, with regular meetings to discuss the ongoing needs of business through that group.

6. CONCLUSION

- 6.1 The above report sets out that a number of steps have been taken quickly to support the city's businesses and to ensure that government grants are

distributed as widely as possible and that where we have discretion they are targeted towards businesses that support the city's economy.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 There are no direct financial implications arising from the recommendations of this report. The council is fully compensated for the lost revenue from Business Rates relief. The government has fully funded the Business and Discretionary grant in advance so there is no adverse impact on the council's cashflow. It is anticipated the council income from commercial tenants will be impacted through the support described in paragraph 3.16 and high level estimates have been included in government returns relating to the financial impact of Covid19, and will be included in Targeted Budget Management reports to Policy and resources Committee.

Finance Officer Consulted: James Hengeveld

Date: 12/06/20

Legal Implications:

- 7.2 There are no legal implications arising directly from this report.

Lawyer Consulted: Alice Rowland

Date: 11/06/20

Equalities Implications:

- 7.3 The measures set out in this report are safeguarding employment, local businesses and the economy. The discretionary fund will help to ensure that there is a fair and transparent decision-making process in the allocation of funds to business.

Sustainability Implications:

- 7.4 None identified

Brexit Implications:

- 7.5 Normally, measures such as those set out in this report would be constrained by State Aid consideration. The government has set aside state aid issues so they do not limit this package of offers.

SUPPORTING DOCUMENTATION

Appendices:

None

