
Executive Member for Finance & Performance 24 September 2020
in consultation with the Executive Member for
Economy & Strategic Planning

Report of the Assistant Director, Customer & Digital Services

Covid-19 Business Grant Report

Summary

1. This paper provides the Executive Member for Finance & Performance and the Executive Member for Economy & Strategic Planning with details of the financial support provided by City of York Council (CYC) to business in York through all grants and reliefs during the Covid-19 pandemic.

Recommendations

2. The Executive Members are asked to note:
 - a) The financial value and number of businesses supported by the council.
 - b) The speed and efficiency in distributing the support
 - c) That the Government's Small Business Grants (SBG) and Retail, Hospitality and Leisure grants (RHLG) closed for applications on 28 August 2020.

Reason: To clearly set out the extent of the financial support provided by the council and the speed at which it was provided to businesses in York.

Background

3. At the time of the national budget on 11 March 2020 the Government was aware of the impending impact of Covid-19 on business. It sought to mitigate the impact through a mix of grants and business rate reliefs delivered at a local level including:
 - Business rates discount of 100% for qualifying retail businesses
 - Retail, Hospitality and Leisure grants

- Small business grant scheme.
- The council was aware at a very early stage that the Government schemes had some gaps especially for micro businesses who had no Rateable Value (RV) and given the makeup of the York economy quickly introduced its own Micro Grant scheme to support these businesses setting aside £1m of the council's own budget.
 - On the 1 May 2020 the Government announced a new discretionary grant scheme the purpose of which was to allow local authorities to provide support to those businesses who 'fell through the cracks' of the main grant schemes. It was aimed predominantly at shared space companies, small & micro businesses, market traders and B&B's paying council tax.
 - This scheme superseded the council's own micro scheme as an enhanced micro grant scheme on the 1 June 2020 with a window of one calendar month. The funding provided by central government was 5% of spend made by each council on the existing government grant schemes (SBG/RHL) approximately £2.2m for York at that time.

Business Rate Reliefs

- The business rate relief schemes introduced by Government were for the financial year 2020/21 and remain open although all awards in York have now been made. Table 1 below sets out the number of business who received an award and the value of the awards:

Table 1

Discount	No	Value
Retail Discount - RV under 51,000	1709	£12,943,140.32
Retail Discount - RV over 51,000	648	£57,085,485.68
Total Retail Discount	2357	£70,028,626.00
Nursery Discount	36	£311,783.57
TOTAL DISCOUNTS	2393	£70,340,409.57

Retail, Hospitality, Leisure and Small Business Grants

8. The Government's small business and retail, hospitality & leisure grants (SBG/RHL) were implemented and distributed effectively and efficiently by the council following the Government guidelines and applying proper and proportionate pre-payment checking to avoid fraud. By 8th September 2020 the council had paid out £46m against an initial grant allocation of £44m (104%). York is one of the highest performing councils in terms of the time taken to provide this financial support to business at a time when they desperately needed the money. The scheme closed to new applications on 28 August with a further month allowed for all payments to be made. Table 2 below shows the payments made to date:

Table 2

Grant Type	Actual number of Payments	Actual Value of payments
Small Business Grant	2186	£21,860,000
Retail, Hospitality and Leisure Grant	1345	£24,375,000
Total	3531	£46,235,000

Micro Grant Scheme

9. As described earlier, the council put in place a micro grant scheme in April to support small businesses who 'fell through the cracks' of the Government support. The scheme was extremely successful and oversubscribed before being superseded by the enhanced micro grant scheme using the Government's discretionary grant funding from 1 June 2020. The total number of businesses supported and spend is set out in table 3 below:

Table 3

Micro Grant Scheme		
Number of successful applications	Budget £k	Spend £k
1,112	£1,000	£1,122

Enhanced Micro Grant Scheme

10. The enhanced micro grant scheme superseded the micro grant scheme on 1 June 2020 for an initial window of one month. As with the original micro grant scheme the demand was high and by closure on the 30 June the funding (£2,233,250) had been spent as set out in table 4 below:

Table 4

Category	No of Applications paid	Amount Paid
CHARITY	14	£34,000
MARKET	27	£55,580
MICRO	294	£1,357,203
SELF EMP	276	£272,661
SMALL	36	£339,200
NURSERY	18	£179,000
B&B	5	£11,000
Grand Total	670	£2,248,644

11. Despite the support provided by Government and the £1m+ of funding put in place by the council it's acknowledged that there was not support available for all businesses in the city. The schemes were designed by government to support categories and size of business based upon rateable values. The council was and is fully aware of this issue and has written and lobbied central government to make more funds available.

Financial Support

12. As at the 8 September 2020 the total value of support provided to businesses in York during the Covid-19 pandemic is £119.9m comprising 7,706 transactions. The council and Government schemes are now closed but the Government grant payments

continue for any existing applications until the end of September. It is possible these figures could rise slightly by the end of the month.

Council Budget Implications

13. The discretionary schemes (Micro Grant and Enhanced Micro Grant) are closed as set out above. The financial implications to the council in terms of budget and the oversubscribed demand are set out at table 5 below:

Table 5

Council Budget for Micro Grant Scheme	£1,000,000
Governments Discretionary Grant funding	£2,233,250
Less Micro Scheme Spend	£1,122,000
Less Discretionary Scheme Spend	£2,248,644
Balance	-£137,394

14. The funding received from Government in respect of the discretionary scheme was a fixed guaranteed minimum based on estimated payments made through the Government grant schemes. The level of grant was based on 5% of gross awards and the current spend is set out at Table 2. BEIS are still to confirm the value of additional grant based on actual spend the full total not being known until the end of September when all payments need to have been made. On the current value spent it will substantially reduce (£78,500) but not meet the full level of support provided. As payments continue to be processed this figure will continue to rise.

Implications

Financial

15. There are no financial implications associated with this paper as it is for information only and sets out the current position after closure of the funded grant schemes. There is a potential small overspend arising from the initial micro grant scheme however this should reduce (Para 14) when the further payments are made on the government grant scheme.

Human Resources (HR)

16. There are no HR implications.

Equalities

17. This report will impact on all communities equally.

Legal

18. No implications

Crime and Disorder, Information Technology and Property

19. No implications

Risk Management

20. There are no risks associated with this paper.

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Report
Approved

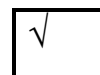


Date 11/09/2020

Specialist Implications Officer(s):

Wards Affected:

All



For further information please contact the author of the report

Background Papers: None

Abbreviations:

CYC - City of York Council

HR – Human Resources

RV - Rateable Value

RHLG - Retail, Hospitality and Leisure grants

SBG - Small Business Grants