

Covid 19: distribution of Government grants to Suffolk based business

16th October 2020

Introduction

The UK Government introduced grants for businesses in response to the Covid 19 pandemic namely:

- **Small Business Grants Fund (SBGF) scheme:** grants for businesses with a rateable value of <£15,000 (single grant of £10,000)
- **Retail, Hospitality and Leisure Business Grants Fund (RHLGF):** grants for businesses with a rateable value (RV) of <£51,000 (grants of either £10,000 or £25,000 depending on RV)
- **Local Authority Discretionary Grant Fund (LADGF):** additional grant funding to support businesses not eligible in the above two schemes.

The grants' programmes ran until 30th September 2020.

This paper summarises the total amount of grants distributed on a Suffolk wide basis and the volume of businesses supported. It also summarises the joint work of the economy and business workstream, led by Suffolk growth, in supporting grant distribution. Individual councils have prepared their own summary reports, so this paper only focuses on the joint work and learning.

Total grants distributed in Suffolk

The tables below set out the total amount of grant distributed in Suffolk and the breakdown across each of the three types.

Total amount of grant distributed & number of businesses supported		
Local authority	£ (million)	Number of businesses
Babergh	£24.07	2,186
East	£66.10	5,835
Ipswich	£28.76	2,078
Mid Suffolk	£21.04	1,963
West	£38.56	3,230
Total	£178.53	15,292

Breakdown of grant distributed in each category and total businesses supported						
Local authority	Small Business grants		Retail / Hospitality / Leisure Grants		Discretionary grants	
	£ (million)	Number of businesses	£'s (million)	Number of businesses	£ (millions)	Number of approved applications
Babergh	£15.29	1,529	£7.59	477	£1.19	180
East	£40.20	4,021	£22.10	1,426	£3.80	388
Ipswich	£13.07	1,307	£14.45	638	£1.25	133
Mid Suffolk	£12.81	1,281	£7.24	503	£0.99	179
West	£21.02	2,102	£15.67	850	£1.87	278

Overview of the grant distribution process in Suffolk

Following the announcement of the grants Suffolk Districts / Borough put in place multi-disciplinary corporate teams that worked together to identify eligible businesses and distribute the grants. These teams included staff from economic development, finance, revenue services, communications, and wider corporate policy teams.

The economy and business workstream, led by Suffolk Growth, initially met weekly with leads to discuss grant distribution, sharing best practice and identifying common areas of concern.

What worked well

- Initial distribution to eligible companies was very positive. By 20th April Suffolk D/Bs had distributed £104m in SBF & RHLGF (note LADGF not launched until early May). Throughout the grant distribution programme Suffolk wide performance has been shared with E&B officers, Suffolk Growth management team, members and wider partners to support positive messages that the Suffolk public sector is working in partnership to quickly and effectively support our local economy and sustain businesses.
- Weekly discussions identified common concerns over “business that fell through the gaps” and these were shared with the Suffolk Growth Management Team, Growth Hubs and NALP to ensure consistent messages went to Government and lobbying efforts coordinated.
- D/Bs leads shared internal approaches and concerns during group discussions and were able to amend / refine their processes based on shared learning.
- Two all Suffolk district surveys¹ were issued to grant recipients (c.3,500 returns over 2 surveys) and analysed by Suffolk Growth to assess the impact of the grants on our local businesses – some positive feedback is included in the box below.

Feedback from grant recipients collected during the surveys

- *"The initial grant that we have received has been of significant support and help to us both in respect to loss of rental income during the lockdown period as well as to cover both continuing running expenses and other additional expenditure, in particular extra cleaning costs"*
- *"I am very satisfied with the Local Authority's actions and the personnel who helped supply the grant. The funds allowed me to get internet and social media functions working rapidly and trade via the internet and deliver our goods safely to customers. I have been able to maintain full stock and continue growing so your actions and funding allowed the business to remain viable and ready for when I was permitted to reopen."*
- *"Being an animal related business, we attempted to be open from the start. I had 2 employees who took themselves off before help came to retain staff. We worked reduced hours from 9.00 am to 1.00 pm leaving the afternoons free to make deliveries to those housebound and unable to go out due to National restrictions. The governments grant has proved extremely useful in paying bills and we have now taken on a new member of staff and returned to being open much as before Covid 19."*
- *"We must thank you for the business grant of £10,000 received 20th April 2020, we closed for business on the 23rd March 2020, we furloughed 7 of our 8 staff through the 7th June 2020, without your grant and the furlough payments for our staff we would have found it difficult to remain in business as our costs for horse feed hay etc continue without customer revenue."*

¹ Note Ipswich Borough Council did not participate in the surveys.

- The detailed results from these surveys provide local evidence to support data coming from Government sources on the impact of Covid 19 e.g. those on furlough, forecast business survival rates, and future skills needs; which will enable future interventions to be better targeted.

What could have been improved

- Identifying potentially eligible businesses and ensuring correct payment details (bank account etc): while work with the Valuation Office, Anglia Revenue Partnership, Suffolk Revenue Partnership was positive, a significant amount of business data was found to be missing / out of date / not collected.

For example, leads noted:

- *We were contacting businesses where the owner had died, and records had not been updated*
 - *Many businesses had not applied for rates relief and therefore initially did not qualify for grants*
 - *Only information to identify type of business was the VO description code*
- Government guidance was often unclear, slow to emerge and inconsistent – e.g. what was sent to local authorities differed from what was posted on Government websites.
- The biggest concerns raised by all E&B leads from D/Bs were with the discretionary grants programme. Initial discussions in Suffolk considered the development of a consistent approach and guidance across all local authorities.
- As further detail emerged on the scheme and each local authority reflected on the nature of their businesses it was determined that a single approach would not be possible.
- The majority of E&B leads still found it beneficial to share eligibility criteria and application procedures as they developed their own criteria and in looking back officers identified areas where additional learning from sharing approaches was of use. Specific comments from officers include:
 - *We only introduced an ‘other’ category in a late revision of our policy; would have been easier and given more flexibility if we had this earlier*
 - *Keeping our scheme simple was beneficial, feedback from other councils was that complex schemes made applying very difficult*

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