

ECONOMIC DEVELOPMENT ENVIRONMENT AND INFRASTRUCTURE

SCRUTINY PANEL

21 JULY 2022

COVID BUSINESS SUPPORT AND RECOVERY

1.0 Background

From March 2020 the Council's Revenues and Benefits team, Economic Growth/Regeneration and Finance service have collaborated closely to respond to the pandemic crisis to support businesses.

Whilst continuing to deliver a regular day to day service a range of additional initiatives and grant schemes were designed with the teams working at fast pace, providing a pragmatic approach to ensure support was provided quickly and effectively where it was most needed.

2.0 Business Support

At the earliest opportunity information was disseminated through web/social media platforms and business networks to promote and guide business through the support available both via the Local Authority and the wider business support landscape. Several support mechanisms were initiated and promoted by the Council, this included:

- Buy Boro campaign: promotion of local supply and services.
- 1-1 business workshops – targeted to small/independent business to 'plan it not panic'. The workshops covered managing cashflow, business planning, emergency procedures.
- Comprehensive list of PPE suppliers prepared and promoted through the Council's website
- Businesses linked directly to Teesside University Digital City to receive free support to improve website and ecommerce options
- Outdoor tables available to loan to retail/leisure/hospitality businesses and supported to acquire an outdoor licence
- Town Centre cleaning stations, ambassadors to support high street shoppers and businesses.
- Guidance and signposting via dedicated web pages and help lines for businesses to access full range of support

3.0 Business Grants

A range of grant schemes were designed with rapid distribution remaining a priority throughout; Middlesbrough Council was the first Local Authority in the area to distribute an emergency Covid grant.

The onus was placed on Local Authorities to determine the approach and design of the schemes to best support their respective local economies, which, at times, was challenging, given the changing legislation combined with the perceptions of the business community on eligibility.

Middlesbrough's emergency and discretionary business grant schemes sought to support businesses through the covid pandemic and restrictions by:

- Providing direct grant support to businesses impacted by restrictions.

- Supporting businesses that were unable to access other business support schemes
- Supporting home businesses and sole traders etc with fixed business costs
- Introducing business support measures to stimulate the local economy through key sectors and priority regeneration areas to facilitate long term job creation and investment

The Local Authority has utilised both the mandatory grants and discretionary funding to full effect, distributing grants in accordance with government guidance and tailoring discretionary elements to target gap areas and provide the most strategic impact.

Over £25m was initially distributed in grants to support businesses in the first 6 months of the pandemic (March – September 2020).

Local Restriction Support Grants (LRSG) followed in November and came into force as restrictions and lockdowns became more prevalent following the first Covid related intervention in March 2020. Similarly a discretionary Additional Restrictions Grant (ARG) to address gaps and recovery was launched alongside the LRSG. The schemes were regularly reviewed and included several enhancements to the scheme to ensure:

- Gaps in eligibility were addressed
- Targeted sector support e.g. Taxi Drivers
- Introduction of business support measures to stimulate the local economy, create jobs and promote rapid recovery

3.0 Outcomes

Almost £16m was distributed through the LRSG schemes. This funding was utilised to provide emergency support to eligible businesses. Table 1 provides a breakdown:

Table 1 Local Restrictions Support Grant ⁱ

Local Restrictions Support (LRSG) Grant	Purpose	Amount	No of payments
LRSG Closed	businesses required to close	£1,804,265.25	823
LRSG Closed (phase 2)	businesses required to close	£8,072,513.70	1557
LRSG Open	businesses impacted whilst requiring to stay open and trade.	£266,353.59	196
LRSG Sector specific	Specific sectors required to close since Mar 20 (e.g. nightclubs)	£17,525.98	6
Christmas Payment	Wet led pubs (e.g bars/pubs that serve drinks rather than food)	£53, 000	53
Restart	Support reopening of Retail, hospitality, leisure, personal care, accommodation, gyms	£5,741,304.22	794
Total		£15, 954, 962.74	3429

The following table provides a breakdown of the discretionary Additional Restrictions Grant:

Table 2 Additional Restrictions Grantⁱⁱ

Additional Restrictions Grant	Purpose	Amount	No of payments	Jobs to be created (3yrs)	Investment Commitment by Business
Main	businesses unable to access other schemes e.g home based, supply chain, shared spaces, impacted sectors	£2,909,791.93	1654	n/a	n/a
Enhanced	Impacted sectors required to trade	£165,000	18	n/a	n/a
Strategic	create jobs and stimulate recovery and investment in priority sectors/ regeneration areas	£750,000	17	194 – 460 high value jobs in: Advanced/ manufacturing, Leisure, culture, digital, professional services	780K - £1.6m
Taxi Drivers	Specific sector support	£247,500	825	n/a	n/a
TOTAL		£4,072,291.93	2514	194 – 460	780K - £1.6m

4.0 Next Steps

In total £45m has been distributed in grants to support businesses since March 2020.

The LRSB schemes are now closed and the Additional Restriction Grant is fully committed.

It is expected a second phase of ARG funding will be triggered as soon as 100% of spend is reported, providing the local authority with a further £670K to support business recovery through to March 2022.

The aim is to focus the second phase of ARG funds to supporting new startup businesses and further grants to support businesses in their recovery.

Appointment of a Business Recovery Officer has taken place in June 2021 to provide additional support to businesses in their recovery.

ⁱ Figures correct as at 9 July 2021

ⁱⁱ Committed spend at 9 July 2021