

ARUN DISTRICT COUNCIL

REPORT TO AND DECISION OF THE ECONOMIC COMMITTEE ON 8th JUNE 2021

PART A : REPORT

SUBJECT: Covid Discretionary Business Grant Funding

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DATE: May 2021

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AREA: Economy Group

EXECUTIVE SUMMARY:

The report provides a background to Discretionary Grant Funding and proposes spending on projects to provide wider business support.

RECOMMENDATIONS:

It is recommended that the Committee agrees the spending from the Discretionary Business Grant fund as set out in the report.

1. BACKGROUND:

1.1 Shortly after the first Lockdown in March 2020 Government provided funding for Discretionary Grants for businesses. This funding has continued with sums being allocated at various points during 2020 and now into 2021.

1.2 Arun's funding has been distributed to businesses in line with the West Sussex Additional Restrictions Discretionary Grant scheme which has been adopted by all West Sussex Districts and Boroughs and has previously been agreed by this Council.

Government guidance states that funding should be used to provide direct grants to businesses but may also be used for wider business support. This Council agreed that up to 49% might be used for this purpose, but direct grants should be a priority.

Arun has gone to great lengths to encourage applications for Discretionary Grants and, based on the last 'League Table' published by the Department for Business, Energy and Industrial Strategy (BEIS), was second in West Sussex for the number of grants provided.

1.3 BEIS advised, in early March, that further 'top ups' of up to 25% will not be made available until existing allocations of funding had been used. That advice changed on 14th April and no further Top Ups will be made available unless all allocated funds are spent by 30th June 2021. This has considerably shortened the timetable and means it is unlikely that Arun will receive additional funding since, without being able to ringfence the funding referred to in this report, and that is no longer possible, our full allocation will not be spent by 30th June. Officers have made representations to BEIS regarding this short timescale.

We are still able to offer a range of wider business support but on a slightly smaller scale than was originally envisaged. The details of proposed projects are set out below with information on how each links with regional and local initiatives to support businesses. This will help to ensure there is minimum duplication and the remaining funding has the best effect for our local business community.

2. PROPOSALS

2.1 A range of possible projects to provide wider business support has been considered. These are set out below and the table provides the suggested allocation for each specific project. When considering these ideas, it is important that we do not duplicate other provision, such as The Business Hot House but rather fill gaps where support is lacking. With that in mind discussions have been held with Coast to Capital for their thoughts on gaps that might be filled, and the Hot House programme has been considered to avoid duplication where possible.

2.2 High Street Support - several 'Apps' have been developed to allow shoppers to order online from retailers in a town and collect from one point. This option has been extensively researched with the aim of offering it to Arun's 3 towns. However, now that restrictions are being lifted it is considered that the take up is likely to be low. For this reason, this option has been put to one side and retailers can be supported in other ways.

2.3 Get Online and Upgrade - there can be little doubt that businesses who have been able to continue to trade online have suffered less than others. Many businesses have been slow to establish an online presence and those that are online do not always make the most of their presence or know how to do so.

A 'get online and upgrade' project could be undertaken very quickly. This would assist not only High Street businesses but any business wishing to purchase or upgrade a web site to showcase their product or service to potential customers. Some may wish to upgrade to allow a purchasing capability, but that need not be a condition of a grant. A match funded grant could be offered.

This project would link well with the West Sussex Gigabit Project and with a soon to be launched online training package for retailers which has been contracted by all seven West Sussex District and Borough Councils and is aimed at retailers, but will be equally useful to other businesses.

Additionally, a further series of webinars could be produced to assist non-retail businesses with their online capability.

The online webinar approach has been used by Horsham District Council as a training delivery method for their local business community during the pandemic and has received a greater uptake than previous face to face training.

Links with:

Arun Economic Development Strategy 2020-2025

- Support Business Improvement Districts and town centre management.

West Sussex County Council

- West Sussex Gigabit Project

Coast to Capital LEP – Gatwick 360

- To enable our bold new approach, investment in physical, digital and intellectual infrastructure is essential if we are to adapt and thrive in a post COVID-19 world.

2.4 New Business Start Up Support - it is predicted that business start-up numbers will increase across the UK during 2021. The Business Hot House provides a wide range of support for start-up businesses, but their grant support starts at £4,000 and must be match funded which is often beyond the reach of many very small start-ups. In addition, retailers are excluded from this support.

A start up fund akin to our very successful LEAP grants, aimed at businesses less than two years old, would help to encourage those that do not wish to access the slightly larger sums at this present time. This is an approach that other District and Boroughs in West Sussex are also considering. This grant would not need to be match funded.

Links with:

Arun Economic Development Strategy 2020-2025

- Priorities; a growing business population, new business creation
Coast to Capital LEP Business Hot House support.

2.5 Greener Business Grants - a green grant is a generic term used to describe any type of energy saving or pollutant reducing type of business grant. Grants may be used for energy efficiency measures, such as LED lighting, insulation or heating controls, or for larger projects such as converting to different energy methods or Electric Vehicles.

This grant stream will encourage businesses to consider making small changes which will benefit their business and the environment. Maximum £10,000 grant, match funding will be required.

Links with

Arun Economic Development Strategy 2020-2025

- Priorities; a growing business population, new business creation, growing micro businesses into SMEs

2.6 LEAP Grants - the West Sussex LEAP grants, started by Arun, have proved very useful and are often oversubscribed. This project is usually funded by a bid to the West Sussex Strategic Infrastructure Fund (SIF). It has been suggested that because all West Sussex District & Boroughs have access to Discretionary Grant funding it is preferable to fund the 2021/22 round from that Discretionary Grants Fund.

Our usual budget is £72,000. It is recommended this is increased slightly to avoid oversubscription issues. This fund would be aimed at businesses 2-5 years old. The focus would be on equipment purchase rather than less quantifiable items and match funding would be required.

Links with:

Arun Economic Development Strategy 2020-2025

- Priorities; a growing business population, new business creation, growing micro businesses into SMEs
Coast to Capital LEP Business Hot House support

2.7 Retail Support - as mentioned elsewhere in this report a package of retail support has been commissioned for use across West Sussex. This will be online and available to all businesses. However, it is likely that many new start businesses may be some sort of retailing and, as the report also mentions, these businesses are currently excluded from accessing start up support via the Business Hot House. It is proposed to purchase a package of support either online, one to one or a mixture of both.

Links with:

Arun Economic Development Strategy 2020-2025

- Priorities; a growing business population, new business creation, growing micro businesses into SMEs

2.8 Networking - The Arun Business Awards are an annual opportunity for businesses to network on a large scale. The event has been running for many years and is extremely popular. It was not possible to run the event in 2020 and will not be possible again in 2021. It is proposed that a large networking Restart Event should take its place in November 2021. A keynote speaker would be used to provide a motivational event for Arun's businesses with the addition of a large networking opportunity. This would provide a quality event for Arun's businesses at a time when it is likely to be needed and welcomed.

Links with:

Arun Economic Development Strategy 2020-2025

- Priorities; a growing business population, new business creation, growing micro businesses into SMEs

2.9 Other Opportunities - Members will be aware that opportunities present themselves at very short notice and often cannot be taken up due to funding constraints. It is proposed that an additional sum be included within this budget for such occasions that may occur between now and March 2022. If that does not happen or the funding is required for direct grants it will be used for that purpose. If it remains unspent it will eventually be returned to Government. Any opportunities will be required to link with existing strategies and plans prior to consideration.

2.10 Summary and Funding

The table below shows each project with costs and potential outputs. It is recommended that a limit of £10,000 be placed on the amount that one business can receive from one, or a combination of any of these grants.

Project	Budget	Notes
Get Online & Upgrade	£100,000	Maximum £2,500 grant – at least 40 businesses supported
Start Up Grants	£100,000	Maximum £2,000 grant – at least 50 businesses supported
Greener Business Grants	£200,000	Maximum £10,000 grant – at least 20 businesses supported
LEAP Grants	£100,000	Maximum £2,500 grant – at least 40 businesses supported.
Retail Support Package	£20,000	One off purchase. Online resources will remain available for future use
Networking Event	£15,000	
Future Opportunities	£65,000	
	£600,000	

3. OPTIONS:

3.1 The option to only provide support to businesses via direct Discretionary Grants has been considered. BEIS has encouraged Local Authorities to provide wider business support initiatives and the proposals in this report will enable business that have not been able to access support so far to do so.

3.2 To run a sixth round of Discretionary Grants for businesses that are not trading at full capacity to apply for. This will provide support, but that support will be limited to those businesses who are still trading at a reduced level but may already have received grants in all five previous rounds.

4. CONSULTATION:

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council (for previous decisions)		x
Relevant District Ward Councillors (for previous decisions)		x
Other groups/persons (please specify)		

5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)

	YES	NO
Financial		x
Legal		x
Human Rights/Equality Impact Assessment		x
Community Safety including Section 17 of Crime & Disorder Act		x
Sustainability		x
Asset Management/Property/Land		x
Technology		x
Other (please explain) Officer resources		x

6. IMPLICATIONS:

There are no implications for this Council as the project is fully funded by BEIS. The Grant Approval system that the Council has signed up to process grants will be used to simplify this process.

7. REASON FOR THE DECISION:

To allow funds to be used to support Arun's business community with a variety of grants.

8. BACKGROUND PAPERS:

None