

# LOCAL NEWS PARTNERSHIPS



## Covid-19 business grants

No embargo - for immediate use

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## What's the story?

Thousands of businesses are still waiting for crucial emergency financial support to help weather the coronavirus crisis.

On 17 March, the government [announced emergency grants](#) to help support small and rural businesses, as well as retailers.

The lump sums of £10,000 through the Small Business Grant Fund and £25,000 through the Retail, Hospitality and Leisure Grant Fund, were intended to help minimise disruption to cash flows.

A month later, half the money promised has been distributed to SMEs identified by local authorities.

Those who have received the grant say it can 'make all the difference', but thousands of small business owners are facing tough decisions while waiting for the money to come through.

A microbusiness owner who is waiting on funds said he had invested £50,000 of his own money to pay suppliers and the impact of the delay was 'catastrophic'.

## What this pack contains

Accompanying this pack is a spreadsheet that will allow you to see the number and value of grants registered as awarded in **your area**.

The data is taken from the [government monitoring statistics](#), with proportional calculations from the unit and amendments for Rutland County Council.<sup>1</sup>

**Please note: Proportional calculations should be taken as a guide. Different authority areas have varying demographics of businesses. Some local authorities will also have been better at identifying eligible businesses than others.**

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<sup>1</sup> Figures for Rutland appeared to be inputted incorrectly. We checked directly with the council and amended the sheet.

NB: The grants are only available through the business rates system to account holders (i.e those who own their business premises).

## Small business grants relief/retail relief payments

### Background figures:

- Around £6bn of £12bn worth of funding allocated has been distributed to businesses under the two emergency grant schemes
- Of the 965,000 identified as eligible for the grants, 481,000 businesses have not yet received funds
- Some high street retailers will not be eligible for the scheme as their property has a rateable value of more than £51,000.
- Northern Ireland, Scotland and Wales are not included in the figures but the devolved administrations are issuing similar grant support. A successful grant case study is included for Northern Ireland.

### Dataset:

<https://docs.google.com/spreadsheets/d/1K4AHBFdnocEcm30UZ8PPS8hhJ36i8Y6ouWSLaSNehkY/edit?usp=sharing>

## Comments:

**Federation of Small Businesses (FSB)** National Chair Mike Cherry said: “For many small businesses, access to these grants will decide the fate of their futures, and it’s excellent to see so many local authorities across England getting the money into the hands of those who need it most.

“Some councils have already handed out more than 80% of their grants, with a handful already reaching or about to reach 100%.

“However other areas barely 10-20% of the grants have been issued, it’s those areas that must act now if they want to see small businesses survive on their local high streets when we reach the other side of this crisis.

“The funding is there to be used to ensure we have a strong and robust economy to bounce back with once restrictions ease, so it’s inexcusable for any council to delay. Get the money out there and back our small businesses.”

Cllr Richard Watts, Chair of the **Local Government Association’s** Resources Board, said:

“Councils have worked hard to distribute more than £6bn of this vital funding already to small businesses with more going out every day.

“Many have set up dedicated teams and redeployed staff to run the scheme and ensure the risk of fraud is minimised. They have also had to reach out to eligible businesses they do not hold details for and, in some cases, it has taken time to get that information back.

“Councils know these grants are a vital lifeline to businesses who may be struggling and worried about the future.

“It has been a big task to set up and administer this new scheme in a matter of weeks but councils will continue to work at pace to ensure eligible businesses receive this vital funding as quickly as possible.”

## **The Government**

**A BEIS (Department for Business, Energy and Industrial Strategy) spokesperson said:** “We have been supporting local authorities which are working very hard to ensure these vital funds get to hard-pressed small business owners as soon as possible - £6 billion has already been paid out to over 480,000 business properties.

“The speed at which local authorities have paid grant money out can vary because of the different number and mix of eligible businesses in their area. We urge them to continue to work at pace so all eligible businesses receive the grants.”

## **Additional Information**

- Government is working closely with all local authorities to get this funding out as quickly as possible, whilst safeguarding public funds. This includes detailed guidance and FAQs, regular briefings and one-to-one support from ministers and officials.

- Local authorities have undertaken a reporting exercise in conjunction with government to identify the number of businesses covered by these grants. This is available [here](#) and as of 19 April almost half the total funding allocated for this programme has now been delivered to businesses by local authorities (more than £6bn of £12.3bn).
- Some local authorities have much larger numbers of businesses in scope than others and the mix of business types also makes a difference

## Case studies:

Tim Coleman, 67, owner of microbusiness Chevron Heritage Ltd, said he had £100,000 worth of car parts waiting to export, but no assurance of grants or business loans, and the impact on cash flow was “catastrophic”.

“I’ve put in as much of my own personal funding as I can, £50,000 of my own money to pay my suppliers, most of whom are also small and microbusinesses which are suffering.

“The consequence of me not getting the money is I won’t be able to pay my suppliers, some of which could go bust. The knock-on effect is massive.”



(Tim Coleman, pictured right. Picture submitted by Mr Coleman)

He said that Wigan Metropolitan Borough Council had had issues processing his funds because the business was exempt from business rates but the forms required payment references for business rates.

Northern Ireland case study (devolved area):

Daniel Duckett, 40, runs Lazy Claire Patisserie in Belfast and said a small business relief grant had 'made all the difference' and allowed him to keep paying his seven part-time staff.





“It meant that we didn’t go into the red, it was getting very, very tight and I was getting concerned that we would not have any cash to cover things.

“When there’s no turnover for cafes or hospitality, it makes all the difference to people to pay for payroll and all the bills that are scheduled to come out.