



**Plymouth City Council Economic Development
David Draffan Service Director Economic Development
Covid19 Blog**

No 11 – Monday June 1st

Hi Everyone,

My name is David Draffan and I am the Service Director at Plymouth City Council with responsibility for Economic Development. As a department we have been wondering how to get our key messages out. It occurred to me that a more informal, human blog might be useful, in addition to our normal methods, so that I can perhaps reach a different audience; but also so that people can understand the work that is going on behind the scenes. I intend this to be regular and short rather than longwinded given the massive amount of communication currently

Discretionary Grants Update

I wanted to do a quick update on the new discretionary grants scheme that was launched today so everyone is totally clear on how we are handling this and to be as transparent as possible.

Key Summary

- **We have been allocated £2.27m for the discretionary grants top up scheme.**
- **We believe we have demand for c £4.5m if we were to address all the gaps in the current scheme.**
- **We have been told by government to follow key eligibility criteria (still firmly based around property costs for small businesses).**
- **We have been told to prioritise 4 categories of businesses (*businesses in shared spaces, regular market traders, small charity properties that would meet the criteria for Small Business Rates Relief, and bed and breakfasts that pay council tax rather than business rates*)**
- **We believe we have over 220 business in these priority categories which at £10k/grants is £2.2m**
- **We have therefore decided to closely follow the government's criteria until we determine demand.**
- **We have also included boat based businesses based on local need.**
- **We will issue our grants in 3 tranches approved by a panel and will review the criteria at each tranche so that we can widen the scope based on demand or availability of additional funding.**
- **We acknowledge this is frustrating for many but we believe this is the only fair way given the funding small allocation we have.**
- **We have today received 80 applications which if successful at £10k would be 800k of the £2.2m allocation**

The first C19 small business grants scheme has been up and running for 2 months and we have to date we have handed out over £42m to over 3500 businesses. The breakdown is below:



Number of eligible accounts	3947
Number of eligible accounts applied	3589
Number of eligible accounts approved	3540
Number of eligible accounts awaiting action	12
Number of eligible accounts rejected, not reapplied	37
Number of eligible accounts not applied	358
% eligible accounts applied	90.93%
% eligible accounts approved	89.69%

As you can see we have just 358 businesses left that we believe are eligible for grants but have not yet been claimed. For the last month we have methodically reduced this number from over 1000 to less than 400 by a team of 20 researching the database we have and tracking down eligible businesses one by one. We don't believe we will pay all of the 358 as some don't exist, some are fraudulent claims, some don't want the money and a few we simply cannot find. We believe that the underspend on this scheme may be between £2m and £4m.

As you all are aware we have collectively lobbied very hard working with the Chamber and FSB to highlight the many gaps in this grants scheme and Government positively responded with an announcement 2 weeks ago that a new discretionary fund would be available.

<https://www.gov.uk/government/news/top-up-to-local-business-grant-funds-scheme>

Initial indications were that we might get an additional 5% funding PLUS we could also allocate our underspend. In Plymouth's case this would have been £4m and £6m. When the guidance was published our allocation was in fact just 5% of the total funding that we had allocated, which to date which is £2.37m.

The government issued updated guidance and detailed FAQs which made it clear this remained a fund to deal with property based costs and had many of the same exemptions of the old fund. In addition we have been clearly told we need to prioritise 4 categories of businesses.

<https://www.gov.uk/government/publications/coronavirus-covid-19-guidance-on-business-support-grant-funding>

The relevant extracts are here:

Small and micro businesses, as defined in Section 33 Part 2 of the Small Business, Enterprise and Employment Act 2015 and the Companies Act 2006.

- *Businesses with relatively high ongoing fixed property-related costs*
- *Businesses which can demonstrate that they have suffered a significant fall in income due to the COVID-19 crisis*
- *Businesses which occupy property, or part of a property, with a rateable value or annual rent or annual mortgage payments below £51,000.*

21. To be a small business, under the Companies Act 2006, a business must satisfy two or more of the following requirements in a year—



Turnover: Not more than £10.2 million

Balance sheet total: Not more than 5.1 million

Number of employees: a headcount of staff of less than 50

22. To be a micro business, under the Companies Act 2006, a business must satisfy two or more of the following requirements—

Turnover: Not more than £632,000

Balance sheet total: Not more than £316,000

Number of employees: a headcount of staff of not more than 10

23. We want local authorities to exercise their local knowledge and discretion and we recognise that economic need will vary across the country, so we are setting some national criteria for the funds but allowing local authorities to determine which cases to support within those criteria.

24. We are asking local authorities to prioritise the following types of businesses for grants from within this funding pot:

Small businesses in shared offices or other flexible workspaces. Examples could include units in industrial parks, science parks and incubators which do not have their own business rates assessment;

Regular market traders with fixed building costs, such as rent, who do not have their own business rates assessment;

Bed & Breakfasts which pay Council Tax instead of business rates; and

Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief.

We believe we have over 200 businesses in the government's mandatory criteria. In addition we know of a further c 200 businesses who may fit in the government's wider discretionary criteria if additional funding becomes available.

So whilst the scheme is discretionary in policy terms we would need a further £2m to make it discretionary in practice and still follow the government's priorities.

We are therefore lobbying government hard to allow us to add the underspend on the small grants scheme in addition to the 5% top up, which could give us between £2m and £4m additional funding for the discretionary scheme which we believe would allow us to deal with the demand that we are aware of.

I wanted to give this extended explanation so that we that could be as transparent as possible.

In summary please can I suggest 2 things:

- 1) If you are in the government's 4 priority criteria or a Plymouth Boat based business can I ask that you apply this week or you risk having the criteria widened and missing out. We will NOT be chasing businesses proactively as we did with the last scheme.**
- 2) If you are not in this category then please watch out for an update on Monday next week to see if we are able to widen the criteria.**



The scheme isn't a first come first but once we allocate the funding in the 3 tranches it will be gone.

There is so much else to update on including in particular a huge amount of work in getting the City Centre (and other shopping areas) ready for opening on June 15h and a massive focus on Resurgam our recovery programme.

I will save these for the next blog in order that I can get this update out promptly.

ED Newsletter – are you signed up?

<https://www.linkedin.com/company/economicdevelopmentplymouthcitycouncil/>
Growth Hub

Did you know we have a dedicated business support service in Devon and you can speak to a trained business advisor for free? <https://www.heartofswgrowthhub.co.uk/covid-19-guidance-for-business/>

Share widely

Please do share this blog widely and not via the usual channels as it's important we get the message of support and solidarity to Plymouth businesses not connected in the usual way

Feedback

If this blog is useful let me know and if it is simply more noise in the system I won't be the slightest bit offended! I will try and do updates a few times a week as anything changes. I hope you get some small comfort from that fact that you are not alone. There is a dedicated groups of people committed to ensuring your survival and will stop at nothing to help.

Contact

My mobile number is 07919226965 and my email is david.draffan@plymouth.gov.uk

Please text or email any time if you think I can help – I'm a night owl and will most likely be sitting with the laptop at the kitchen table.

All the best

David