

Appendix B Covid-19 Business Support Grant Expenditure

The appendix provides a summary of the funding received for distribution under each grant scheme, details of the total amount distributed to business by Redditch Borough Council, an explanation as to how the funding was calculated and a comparison with the amounts distributed nationally by other authorities.

Small Business Grant Fund; Retail, Hospitality and Leisure Grant Fund;

Funding for the operation of SBGG and RHLG was provided to local authorities in March 2020. The funding was determined by Department for Business, Energy, and Industrial Strategy (BEIS) based on an estimate of the number of qualifying businesses within the Redditch Borough. The estimate will not take account of premises that are empty or premises where the business activity taking place within the premises means that eligibility for RHLG will not be met. An initial £14.5m in funding was provided to Redditch Council.

Local Authorities were not expected to exhaust the funding in full and any underspend was returned to BEIS as a requirement of the administration of the schemes.

The table below sets out the funding and expenditure for the SBGF and RHLG schemes.

Funding Allocation	# Grants Made	Expenditure	% Distributed
14,518,000	1,165	13,990,000	96.36

The following table sets out relevant benchmarking information on national and regional grant expenditure

	National	West Midlands	County
Lower Level	39.22%	78.36%	86.45%
Upper Level	138.60%	99.94%	96.29%
Median	92.14%	90.48%	94.14%

Local Authority Discretionary Grant Fund

On 6th May 2020 the Government announced that a further 5% uplift in funding would be provided to create a Local Authority Discretionary Grant fund. The amount of funding paid to each authority was calculated based on their projected expenditure for SBGF and RHLG on 6th May.

A maximum amount of funding of £724,000 was made available to Redditch Council for the operation of the discretionary grant scheme. The initial funding of £14.5m was topped up by £686,000 to ensure sufficient funding was available for the operation of the discretionary grant fund.

The fund was capped at £724,000 and would not be topped up; any expenditure above the funding allocation would be required to be met from a local authority's general fund.

Expenditure by local authorities ranged from 28.99% of available funding to 124.13% and expenditure by Redditch fell in line with the median of 99.96%.

Funding Allocation	# Grants Made	Expenditure	% Distributed
724,000	68	724,000	100

The table below sets out the relevant benchmarking data for LADGF expenditure.

	National	West Midlands	County
Lower Level	28.99%	72.40%	96.54%
Upper Level	124.13%	124.13%	100.00%
Median	99.96%	99.85%	99.81%

Local Restriction Support Grant (Open)

LRSO (Open) grants were available to businesses that could open during tier 2 and tier 3 restrictions but were significantly impacted by restrictions on socialising.

Funding was released to authorities for each 14 day, or part of a 14-day period of restrictions. Redditch was subject to tier 2 and tier 3 restrictions for the period from 2nd December 2020 to 4th January 2021 and funding totalling £169,968 was provided to the authority.

The funding was calculated by BEIS based on an estimate of the number of qualifying premises in the hospitality, accommodation, and leisure sectors. The estimate did not take account of premises which had closed permanently during the pandemic, national businesses that chose not to apply, or businesses that would not qualify for support as they did not meet eligibility criteria.

The level of spending under LRSO(Open) was capped and authorities could not exceed the funding threshold. Where an authority exceeded their funding the overspend would be required to be met from ARG or general fund expenditure.

Any underspend on LRSO(Open) was returned to Government after the completion of a reconciliation exercise.

The expenditure within Redditch was monitored on a weekly basis to ensure that the costs of the grant scheme remained below the funding threshold.

The expenditure under the LRSO (Open) scheme is summarised in table below; an additional table provides relevant benchmarking information published by Government on grant expenditure up to 28th March 2021 point expenditure at Redditch was 71.52%

Funding Allocation	# Grants Made	Expenditure	% Distributed
169,968	305	125,668.13	73.94

	National	West Midlands	County
Lower Level	0.00%	0.00%	33.04%
Upper Level	205.93%	111.71%	111.71%
Mean Average	66.90%	61.42%	76.63%

Expenditure under LRSO (Open) was managed to ensure that there was no overspend, and the total expenditure was comparable to national and regional averages.

Local Restriction Support Grant (Closed)

Closed Business Lockdown Payment

LRSB(Closed) grants were payable to business when they were mandated to close by law during tier 2, tier 3, tier 4 or national restrictions. Funding was provided for each period of tier restrictions and the table below summarises the funding provided to Redditch Council.

Payments of the additional CBLP, payable to business closed in January 2021, are reported by Government as part of the LRSB(Closed) expenditure. The row in the table below marked labelled Closed Business Lockdown Payment shows the funding provided to the authority for the CBLP scheme.

Period Start	Period End	Tier Level	Funding Provided
5 th November 2020	1 st December 2020	National Restrictions	921,204
2 nd December 2020	18 th December 2020	Tier Two	8,745
19 th December 2020	30 th December 2020	Tier Two	46,181
31 st December 2020	4 th January 2021	Tier Three	0.00
5 th January 2021	15 th February 2021	National Restrictions	1,381,806
16 th February 2021	31 st March 2021	National Restrictions	1,447,606
Closed Business Lockdown Payment			2,763,000
Total Funding Received			6,568,542

The table below shows the current level of expenditure within Redditch under LRSB(Closed) and CBLP.

Funding Allocation	# Grants Made	Expenditure	% Distributed
6,568,542	1,606	4,668,934.63	71.08

The national benchmarking data for LRSB(Closed) and CBLP expenditure is detailed in the following table: the information shows expenditure up to 28th March 2021 at which point Redditch had defrayed 67.54% of funding.

	National	West Midlands	County
Lower Level	5.35%	5.35%	55.24%
Upper Level	368.18%	104.64%	74.85%
Mean Average	66.77%	65.47%	65.44%

The national upper range of expenditure at 368.18% of funding relates to Forest of Dean District Council which reported expenditure £38.1m from funding of £10.3m. This figure is an outlier within the data with the next highest level of expenditure being Swale Borough Council at 105.04%.

Local Restriction Support Grant (Sector)

There has been no specific allocation of funding for LRSG(Sector) Grants, and the costs of the scheme will be met from the balance of LRSG(Closed) and CBLP expenditure.

There is no published national grant information.

Christmas Support Payment for Wet-Led Pubs

Christmas Support Payments were provided to businesses after a targeted take-up campaign whereby the ratepayer for each potential qualifying property was telephoned and invited to make a claim for grant.

The tables below detail the grant expenditure under CSP within Redditch and the national, regional, and county benchmarking information.

Funding Allocation	# Grants Made	Expenditure	% Distributed
25,600	26	26,000	101.56

	National	West Midlands	County
Lower Level	6.25%	49.01%	68.18%
Upper Level	323.44%	162.50%	119.79%
Mean Average	91.79%	93.51%	85.68%

Restart Grant

Restart Grant became payable from 1st April 2020; expenditure under the Restart Grant scheme is summarised in the table below. The latest benchmarking information was published by BEIS on 25th April 2020, however, this is too early within the administration of the scheme from which to draw meaningful comparisons.

Funding Allocation	# Grants Made	Expenditure	% Distributed
2,904,075	268	2,066,016	71.14%

Additional Restrictions Grant

The additional restrictions grant is a discretionary grant which is payable to businesses which have experienced an impact from Coronavirus restrictions.

Funding of ARG has been made in tranches; with the tranche of funding received in November 2020, the second in January 2021 and subject to all expenditure being made by 31st July 2021 a third tranche of funding will be paid.

The expenditure within Redditch is summarised in the table below and information on national, and county expenditure is included in the additional table.

Redditch's expenditure of 56.57% is currently below mean average, however, an additional round of applications has been open for the period to 15th June 2021. An additional £739,000 has been provisionally allocated for distribution to businesses which will raise expenditure to 86.57% of funding.

Additional steps will be taken to proactively provide support to applicants through a combination of top-ups to earlier awards, and targeted sector grants to applicants in events and hospitality sectors.

The authority will be targeting 100% allocation of funding by 31st July 2021.

Funding Allocation	# Grants Made	Expenditure	% Distributed
2,462,598	524	1,392,986.51	56.57

	National	West Midlands	County
Lower Level	0.79%	21.39%	30.46%
Upper Level	113.83%	102.91%	100.60%
Mean Average	64.70%	70.98%	65.62