

## **CORONAVIRUS – EXTENDING THE BUSINESS SUPPORT GRANT PROGRAMME**

### **LEP BOARD – FOR APPROVAL**

**Wednesday 14<sup>th</sup> October 2020**

**Philip Cox, Chief Executive**

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1. In September the LEP launched a £500,000 capital grant scheme to support businesses to adapt and prepare for the re-opening of premises in a Covid-secure way. Demand for the scheme was huge, with the equivalent of one application every four minutes when the scheme first opened.
2. The average award in the was £2,500 (to cover 80% of the cost of capital items that would either make businesses more Covid-secure, or to allow changes that would help businesses restore lost revenue (eg additional ICT or outdoor seating)).
3. The grant has been able to support circa 200 business though demand indicates there would be over 1,000 applications every few days.
4. Subsequent to this the LEP was able to make available a further £600,000 focussed on revenue support of which 30% was ringfenced for the hospitality sector. Due to the demand experienced in the initial grant this is being delivered in tranches to ensure as many businesses as possible have the opportunity to access support. Demand for this has been similarly large and the vast majority of businesses applying will not be able to be supported.
5. Following the national restrictions on imposed on the hospitality sector at the start of October (the '10pm curfew'), the additional local restrictions introduced in Warrington on 3<sup>rd</sup> October and the confirmation by the Prime Minister on 12<sup>th</sup> October that all three authorities would be placed in the Tier 2 (High) category of restrictions, the LEP has been examining options for how the restructuring grants programme could be expanded.
6. The LEP has identified a further amount of up to £1 million of capital sourced from the Growing Places Fund. The availability of these funds is dependent on the drawdown of EZ Loan facility. Principles for the scheme would be similar to the first phases: -
  - Small grants of £2 - £5k to cover 80% of the cost of capital items that would either make businesses more Covid-secure, or to allow changes that would help businesses restore lost revenue (eg additional ICT, outdoor seating etc);
  - Businesses have to demonstrate that their investment offers good value for money, with payment being in arrears to give assurance that investment takes place
  - Support can be targeted at firms most likely to be affected by the latest round of restrictions and to retain jobs (eg hospitality)
  - As the LEP has a scheme that is currently running it has the infrastructure in place to immediately implement any new scheme
  - Blue Orchid (the LEP's contractor) has sufficient resources in place already to manage a £½ million and could easily recruit staff to operate a larger scheme. Alternatively, the scheme

could be managed in a way that generates a steady flow of applications over several weeks that could be handled by existing staff;

- As well as directly investing in fighting Covid, this scheme will help maintain business confidence by assuring businesses that the public sector is ready to help them adjust their business models for a Covid world.
7. £1 million would allow grants to around 400 firms. If focussed on job retention, these 400 projects could potentially save up to 1,000 jobs.
  8. The Board is therefore asked to support a recommendation that up to £1 million of Growing Places Fund be allocated as capital grant support, principally to the hospitality sector, with final detail of the operation of the scheme to be agreed by the Chair and Deputy Chair in consultation with the Chief Executive and Director of Finance.