



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2021 / 2022

FINANCE AND PERFORMANCE SCRUTINY COMMITTEE

21 OCTOBER 2021

COVID-19 – REVIEW OF REGENERATION BUSINESS GRANTS

REPORT OF THE DIRECTOR OF PROSPERITY AND DEVELOPMENT

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1. PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to outline the grant assistance delivered by the Regeneration Service to businesses in Rhondda Cynon Taf to support them during the COVID-19 pandemic.

2. RECOMMENDATIONS

It is recommended that Committee:

- 2.1 Note the contents of the report.

3. BACKGROUND

- 3.1 The economy in Rhondda Cynon Taf has been severely impacted as a result of the devastating storms and flooding at the start of 2020, and the COVID- 19 pandemic. Since the start of the pandemic in March 2020, businesses have been significantly affected by the numerous lockdowns, restrictions and social distancing measures put in place to control the spread of COVID-19.
- 3.2 To support businesses through this extremely challenging time, the Welsh Government and Rhondda Cynon Taf Council has made a significant level of financial support available. To ensure support was effectively delivered to smaller businesses at the local level

responsibility was given to Local Authorities across Wales for delivering a significant amount of this Welsh Government funding.

- 3.3 In September 2020 Cabinet approved a report by the Director, Prosperity and Development, to refocus the existing business support grant schemes delivered by the Regeneration Service to support economic recovery from the pandemic and to establish a further scheme, the 'Town Centre COVID 19 Recovery Grant'
- 3.4 This report therefore summarises the financial support delivered by the Regeneration Service, including funds via the Welsh Government, as well as from the Council's own capital programme over the period of the coronavirus pandemic. The support outlined in this report is in addition to other elements of Covid-19 related support delivered by other Council Service areas such as the NDR Business Support Grant (Corporate Finance); the Childcare Provider Grant (Education and Inclusion Services) and the Cultural Recovery Fund (Cultural Services).

4. SUMMARY OF GRANT SUPPORT

4.1 Welsh Government Start Up Grant

- 4.1.1 This grant provided financial assistance for self-employed businesses established between April 2019 and March 2020, that faced operational and financial challenges as a result of COVID-19
- 4.1.2 53 applications were approved with a total grant awarded of £135,000.

4.2 Welsh Government Economic Resilience Fund

- 4.2.1 Since the firebreak lockdown in October 2020, this Fund has provided business with cashflow support to help them survive the economic consequences of the lockdowns and subsequent restrictions. The focus has been on hospitality, non-essential retail, tourism, leisure and supply chain businesses. It filled a gap in the other support schemes available, including the Job Retention Scheme and the Self-Employed Income Support Scheme.
- 4.2.2 1,558 applications were approved, with a total grant awarded of £3,070,000.

4.3 Welsh Government Transforming Towns – COVID Recovery Grant

- 4.3.1 During 2020/21 the Welsh Government approved a re-purposing of elements of the Transforming Towns 2020/21 budget, allowing flexibility to support businesses adapt to the comprehensive social distancing measures required in town centres because of the

pandemic. The funding was for external interventions facilitating social distancing and a lower density of occupation in places where customers and members of the public would meet, be served food or drink or rest. The aim was to contribute to providing a high street environment where people felt safe to return to.

4.3.2 In September 2020, RCT CBC Cabinet approved the establishment of the COVID-19 Recovery Grant using an element of the RCT Transforming Towns allocation. The grant was targeted at businesses in our 8 main town centres and offered an 80% contribution towards the eligible project costs up to a maximum grant of £10,000.

4.3.3 23 applications were approved, with a total grant awarded of £134,116. This levered in a minimum match funding contribution from the private sector of £33,529. Much of this spend was used to employ local contractors which subsequently had a positive impact on supporting the local economy.

4.3.4 Photographs of some of the projects supported can be found at Appendix 1.

4.4 Valleys Task Force – COVID Recovery Grant

4.4.1 In January 2021, the WG Valleys Taskforce also made funding available specifically to support economic recovery in our smaller town centres within the Valleys Taskforce boundary. Again, this funding was for interventions which would facilitate social distancing and a lower density of occupation in places where customers and members of the public would meet, be served food or drink or rest. The grant offered a 100% contribution towards the eligible project costs up to a maximum grant of £10,000.

4.4.1 58 applications were approved, with a total grant awarded of £300,857. As with the Transforming Towns Covid Recovery Grant, much of this spend was kept within the local economy.

4.4.2 Photographs of some of the projects supported can also be found at Appendix 1.

4.5 RCT CBC – Enterprise Investment Fund

4.5.1 As part of the review of the Regeneration business grant portfolio in September 2020, RCT Cabinet approved a refocus of the Enterprise Investment Fund. The Fund invests in Small and Medium size enterprises which contribute to a strong and vibrant local economy. It was agreed that the focus specifically on growth should be revised to allow support for businesses to adapt/diversify in response to the

current economic conditions. The grant offers a 50% contribution towards the eligible project costs up to a maximum grant of £10,000.

4.5.2 In 2020/21, 70 applications were approved, with a total grant awarded of £414,000. The extremely high level of demand for the programme has continued and in 2021/22 to date, 45 applications have been approved, with a total grant awarded of £224,689. Since April 2020, this has levered in a minimum match funding contribution from the private sector of £638,689.

4.6 **Summary**

4.6.1 In summary 1,807 applications have been approved across the range of Covid support with a total of £4,278,662 grant awarded and a minimum match funding contribution from the private sector of £672,218. This investment delivered via the Regeneration Service has been significant in supporting local businesses deal with the impact of the pandemic.

5. **EQUALITY AND DIVERSITY IMPLICATIONS / SOCIO-ECONOMIC DUTY**

5.1 An Equality Impact Assessment is not required because the contents of the report are for information purposes only.

6. **WELSH LANGUAGE IMPLICATIONS**

6.1 There are no Welsh Language implications as the contents of the report are for information purposes only. Applicants to all the schemes referred to in this report were able to apply in the Welsh language if this was their preferred language.

7. **CONSULTATION / INVOLVEMENT**

7.1 A report on the Review of the Regeneration Grants Portfolio was approved by Cabinet in September 2020.

8. **FINANCIAL IMPLICATION(S)**

8.1 There are no financial implications as the contents of this report are for information purposes only. The financial resources to deliver these schemes came from funding provided by Welsh Government and from the approved RCT CBC budgets.

9. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 9.1 There are no legal implications as the contents of this report are for information purposes only.

10. LINKS TO THE CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT.

- 10.1 The financial assistance delivered to businesses during the COVID-19 pandemic was of crucial importance to ensure they could survive, diversify and potentially grow in this extremely uncertain economic climate. This will contribute to achieving the “Economy” priority within the Corporate Plan.
- 10.2 It will also make a significant positive contribution to the seven goals set out in the Well-Being of Future Generations Act, in particular a prosperous Wales, a resilient Wales, a healthier Wales and a Wales of cohesive communities.

11. CONCLUSION

- 11.1 The economy in Rhondda Cynon Taf has been severely impacted since the start of 2020 as result of the devastating storms and flooding followed immediately by the COVID- 19 pandemic with the subsequent lockdown measures and restrictions. A significant level of financial assistance was delivered via the Regeneration Service to support businesses respond to the economic challenges they faced, helping them build their resilience, supporting economic diversification and growth, with the aim of encouraging sustainability and hopefully stimulating future private sector investment.

**COVID-19 – EXAMPLES OF REGENERATION SERVICE GRANT
SUPPORT TO BUSINESSES**

TRANSFORMING TOWNS – COVID RECOVERY GRANT

The Rheola, Porth



The Llwyncelyn, Porth



JACS, Aberdare



The Duffryn, Mountain Ash



VALLEYS TASKFORCE – COVID RECOVERY GRANT

D'Lites, Pontyclun



The Thirsty Elephant, Pontyclun

