
11.8 COVID-19 Business Support Grants - First Round Guidelines

Reference: D20/74040

Authoriser: Director Planning and Place Making

Purpose

1. To seek Council endorsement for the 1st round guidelines for the *COVID-19 Business Support Quick Response Grants*, as part of the endorsed overall *COVID-19 Business and Community Support Package*.

Background

2. Coronavirus disease 2019 (COVID-19) is an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). The disease was first identified in December 2019 and has since spread globally, resulting in the ongoing 2019–20 coronavirus pandemic. COVID-19 is a new disease, so there is no existing immunity in our population. This means that COVID-19 could spread widely and quickly.
3. The Australian Health Sector Emergency Response Plan for Novel Coronavirus (the COVID-19 Plan) guides the Australian health sector response.
4. The Victorian Government is directing all Victorians to stay at home, restricting sporting, cultural, recreational and commercial activities to help limit the spread of COVID-19.
5. The presence of COVID-19 in communities around the world has led to an unprecedented global health emergency. In turn, this has seen the mobilisation of actions by governments, health authorities and relief agencies on a scale that is rapidly changing and difficult to fully comprehend.
6. The COVID-19 pandemic and the public health response (e.g. mandatory social isolation measures) is having considerable negative impacts for our community and local economy over the coming months and years.
7. Local businesses and their employees are experiencing dramatic disruption and uncertainty. The first exposed sectors were arts and recreation services, accommodation and food services and retail trade.

City of Yarra COVID-19 Community and Economic Support Package

8. At a special confidential meeting of Council on 2 April, Council resolved to support the implementation of the *COVID-19 Community and Economic Support Package*, which included a range of supports aimed at Businesses in Yarra.
9. The Community and Economic Support Package contains three key components. Some of the elements of the overall package overlap but generally comprise:
 - (a) Support and information for Yarra's Business Sector, or **COVID-19 Business Package**;
 - (b) General financial supports and fee waivers for residents, supported by the **Hardship Policy** and **COVID-19 Financial Hardship Policy**; and
 - (c) A range of community supports detailed within the **City of Yarra – COVID-19 Community Support Package**.
10. The *COVID-19 Business Support Quick Response Grants*, represents a critically important component of Council's overall support for Yarra based businesses
11. The parts of the resolution that relate specifically to business support included endorsement of a *COVID-19 Business Package*, encompassing *Local Business Support Initiatives* for the Yarra business community and directed officers to implement these initiatives.

12. The intent of the Package was to attempt to fill potential gaps that are not being addressed by the federal, state and other economic responses.
13. Officers committed to providing a further report on developing economic stimulus and relief offers can be provided once all the Federal and State initiatives have been implemented and reflections on what other aspects may be needed to support local business. This work is progressing and will be the subject of a future report.
14. Council also supported the development and implementation of a *Business Support Fund*, with a total value of \$500,000 and resolved that officers would also provide a report outlining the guidelines and priority areas.
15. The intent of this report is to report back to Council on the proposed process and grant guidelines for round 1 of the business support grants.
16. The draft of the 1st round guidelines for the *COVID-19 Business Support Quick Response Grants* can be found in attachment 1.
17. The draft guidelines have been developed by officers based on the types of requests for funding support coming from the business community and the need to provide support for adaptive, responsive and recovery based support during the current health emergency.
18. The guidelines are intended to be both simple and broad to ensure that as many Yarra based businesses can be eligible, without duplicating supports provided by other levels of government.
19. The Commonwealth and Victorian Governments are implementing a range of strategies and measures to support businesses and households.
 - (a) Commonwealth Government: JobKeeper payment, temporary cash flow support, temporary relief for financially distressed businesses, increasing the instant asset write-off, backing business investment, supporting apprentices and trainees, increased and accelerated income support, the Coronavirus SME Guarantee Scheme, and early access to superannuation;
 - (b) Victorian Government: Payroll Tax Refund, Business Support Fund, liquor licence fees waived, the Working for Victoria Fund, fast tracking outstanding supplier invoices, rent relief for commercial tenants in government buildings, and the Business Victoria hotline; and
 - (c) Commonwealth and State Governments: Evictions placed on hold over the next six months for commercial and residential rental tenants in financial distress.
20. Successive Victorian local governments have since released a series of packages aimed at providing additional support to their respective communities.
21. The *City of Yarra COVID-19 Community and Economic Support Package* attempts to ease the impacts of this pandemic on our community, especially for those local businesses and community members who have been disproportionately affected.

External Consultation

22. No formal external consultation has occurred, however Council has received a range of requests for funding support from Businesses across the municipality.
23. The Chief Executive Officer has identified and appointed a number of eminent persons with connections to Yarra to an Independent panel, for the purposes of assessing the merits of any applications received and providing recommendations to the CEO for funding support.
24. Once endorsed, the guidelines will be referred to the independent panel for use as a tool in assessing the merit of applications.
25. Following implementation, officers will provide Council with a full list of both successful and unsuccessful grants applications.

Internal Consultation (One Yarra)

26. At Council briefing on 6 April, officers outlined the proposed process for the classification of the various activities contained within the support package.
27. As outlined in the briefing, the draft guidelines were to be firstly considered by all of the independent members of Council's internal audit committee.
28. The committee members have now considered the guidelines and consider the process outlined within to be appropriate.
29. It was further proposed that, following the audit committee feedback that, officers would then bring the guidelines back to Council for further feedback and endorsement, prior to them being released to the community.
30. Following endorsement, officers would propose to immediately make the guidelines available to the public and seek applications from Yarra businesses for a period of 10 days.
31. Grants will be promoted via the corporate website, Yarra Life newsletter, Business newsletter, Arts & Culture newsletter along with social media. The business advisory group and traders groups will also be notified.
32. Once the application period is closed, officers would collate the applications and refer them to the independent panel for assessment, and subsequent recommendations to the CEO.

Financial Implications

33. The initial allocation of funds for quick response grants totals \$160,000.
This amount comes out of the total \$500,000 pool, of which \$200,000 is allocated to this financial year. The remaining funds will be allocated to the recovery phase.

Economic Implications

34. The full effects of COVID19 are yet to be realised, however it is clearly apparent that it is having a profound impact on all industry types and sectors.
35. Yarra is home to over 16,000 businesses which fall under the bracket of sole trader or small to medium (SME). 98% of Yarra businesses meet this criteria and are eligible to apply for the funding.
36. These grants aim to provide sole traders and small business owners funding to assist them transition to a new economy where business plans are required to be rethought and adapted, specialised training may be required, e-commerce functionality becomes a necessity and small capital works may be required to adhere to social distancing requirements.
37. By assisting business make these adjustments, there is a far greater chance that they will be able to not only survive, but also recover quicker – allowing them to continue to contribute to the Yarra economy.

Sustainability Implications

38. None

Climate Emergency Implications

39. None

Social Implications

40. By providing grants we are providing much needed support that may result in keeping businesses operational.

Human Rights Implications

41. There are no specific human rights implications to this report.

Communications with CALD Communities Implications

42. There have been no specific consultations with CALD communities in relation to the Business Support Grants.

Council Plan, Strategy and Policy Implications

43. The Package corresponds to the following strategies in the Council Plan:
- (a) 1.2 Promote a community that is inclusive, resilient, connected and enjoys strong mental and physical health and wellbeing;
 - (b) 1.8. Provide opportunities for people to be involved in and connect with their community;
 - (c) 5.3. Create local employment opportunities by providing targeted and relevant assistance to facilitate business growth, especially for small and medium size enterprises and entrepreneurs through the attraction and retention of businesses; and
 - (d) 7.4. Ensure Council services are efficient, well-planned, and accessible and meet community needs.

Legal Implications

44. There are no specific legal implications for this report.
45. As per previous advice to Council, the draft guidelines have been shared with the independent members of Council's audit committee, prior to being referred back to Council for endorsement. Audit committee members have reviewed the guidelines and have not expressed any concerns about the proposed process.

Other Issues

46. There are no additional issues for this report.

Options

47. There are no options provided as part of this report, however it is Council's prerogative to vary all or any part of the guidelines should there be a desire to do so.

Conclusion

48. Like all communities across Australia and the world, Yarra is experiencing unprecedented financial and social impacts as a result of COVID-19. The City of Yarra COVID-19 *Business Support Quick Response Grants* offers much needed support to assist Yarra based businesses to adapt and respond to the current crisis, as well as to build some support as the situation transitions into the recovery period.
49. This process represents the intended first round of support, and further actions and funding will be available to Yarra based businesses in the future.

RECOMMENDATION

1. That Council:
- (a) note the COVID -19 1st round *Business Support Quick Response Grants* guidelines in attachment 1;
 - (b) endorses the guidelines for use in determining eligible businesses applications to the fund;
 - (c) authorises officers to promote and seek applications from Yarra businesses over a 10 day period;
 - (d) authorises the CEO to approve grants recipients on the recommendation of the independent panel; and
 - (e) note that a further report on grants recipients will be provided to Councillors.

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Attachments

- 1 COVID Quick Grants Business