

LEADER

23 AUGUST 2020

REPORT OF CHIEF EXECUTIVE

A.1 REVISED DISCRETIONARY BUSINESS GRANTS SCHEME (PHASE 4)

(Report prepared by Richard Barrett)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To set out a revised / final phase of the Council's discretionary business grant scheme for approval.

EXECUTIVE SUMMARY

- A Discretionary Business Grant Scheme was announced by the Government in May, supported by the publication of further guidance thereafter.
- The new scheme was established by the Government to respond to the issues faced by many businesses who were not able to access support from the existing small business / rural rate relief scheme or the retail, hospitality and leisure grant scheme (RHL Scheme).
- Although the guidance provided for local discretion, the Government did set out national criteria that was expected to be reflected in the scheme along with the following four priority business sectors:
 - 1) Businesses who occupy shared / flexible spaces and are not the ratepayer themselves.
 - 2) Market Traders
 - 3) Charities
 - 4) B&B's
- The Government provided the Council with **£1.7m** to fund the scheme.
- Previous phases of the scheme have respected and remained consistent with the criteria set out by the Government. However feedback from operating earlier phases of the grant scheme indicate that it is now necessary to consider expanding on the level of local discretion applied with the aim of ensuring all of the grant funding the Council has received is paid out to as many businesses in the district as possible.
- The revised policy attached therefore enables this increased level of local discretion, along with increasing the rateable threshold above £51k and a focus on those supporting or operating within the retail, hospitality and leisure sectors, which will enable applications from many more local businesses to be considered.
- Given the Government's imposed deadline of 28 August 2020, a short application window of 24th August to 28 August will be implemented. However applications from businesses in previous phases of the scheme will be 'rolled' forward and reconsidered against the revised policy.

- This latest phase of the scheme still remains open to the four national priority business along with all other sectors included in previous phases.
- The level of grants payable remain as £5k, £10k and £25k based on the specific criteria set out in the attached policy.
- The recommendations below also seek a delegation to the Portfolio for Housing in consultation with the Chief Executive to implement the scheme and apply any necessary local discretionary requirements.

RECOMMENDATION(S)

That the Leader:

- Approves the revised policy attached along with a delegation to the Chief Executive to implement and administer the revised scheme.**
- Agrees a delegation to the Portfolio Holder for Housing, in consultation with the Chief Executive, to implement any necessary local discretionary changes required to the scheme to enable applications to be considered from as many businesses in the district as possible.**

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

This forms an important element of the back to business initiative.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The Government has provided the Council with a grant fund of approximately **£1.7m**. Although applications from an earlier phase of the scheme are still being considered, it is expected that a total of **£250k** will be paid out leaving a balance of just over **£1.45m** still available for distributing to local businesses. The proposed revisions to the existing scheme remain based on ensuring that the overall cost can still be accommodated within this overall amount, with no net financial impact on the Council.

There will be some advertising costs associated with the scheme, which will be met from either wider Government COVID 19 support payments or from within existing budgets.

Risk

Risks in administering the scheme have been set out in the policy and include complaints / appeals and the risk of fraud error.

LEGAL

Section 1 of the Localism Act 2011, provides all local authorities with the power to make these payments and is expressly referred to in the grant determination / guidance issued by the Government.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

There are no direct implications, with the various phases of the scheme providing the opportunity to various businesses / organisations across the district to access financial support

PART 3 – SUPPORTING INFORMATION

PROPOSED PHASE 4 OF THE DISCRETIONARY BUSINESS GRANT SCHEME

The Government announced in early May a further business grant scheme to respond to those business that were not eligible for financial support under the existing small business / rural rate relief and retail, hospitality and leisure schemes (RHL Scheme)

The Government provided the Council with a sum of approximately **£1.7m**, which represents 5% of the original (adjusted) allocation for the existing schemes.

Whilst enabling Council's to exercise their local knowledge and discretion, the Government set out national criteria for use of this funding.

To date the Council has operated 3 phases of the scheme which have focused support to:

- 1) The four national business sectors set out by the Government (Those who occupy flexible / shared spaces, charities, markets traders and B&B's)
- 2) Businesses directly supporting the retail, hospitality and leisure sectors.
- 3) Other smaller businesses within the District

The previous phases of the scheme have respected and remained consisted with the Government's national criteria. However feedback from operating various phases of the scheme has highlighted that many businesses have been unable to meet all of the national criteria, with the biggest issue being associated with demonstrating ongoing fixed property costs, even though they have been adversely affected by the COVID 19 crisis with significant reductions in income.

With the Government now imposing a deadline of 28 August by which time they expect Local Authorities to bring all of the grant schemes to a close, the last phase of the discretionary grant scheme now needs to provide additional flexibility outside of the Government's national criteria to enable applications from the wider business sector to be considered. The revised policy attached, now increases the rateable value threshold above the previous limit of £51k, along with a renewed focus on the retail, hospitality and leisure sectors. This will enable many key local businesses who have so far not been able to access any grant funding under the previous grant schemes to be able to apply.

Although businesses who meet all of the qualifying criteria will be prioritised, the revised policy now also expands the level of local discretion that is applied, which will enable applications from businesses who may have previously missed out as they could not meet all of the criteria, such as incurring on-going fixed property costs.

To ensure fairness and consistency in the application of the local discretionary aspect of the scheme, a delegation is set out within the recommendations above.

The funding level is finite and therefore, although keen to ensure that grants are given to the maximum number of businesses, the overall cost of the scheme needs to be accommodated within the overall amount of Government funding. In order to fairly administer the scheme, the proposed approach is to hold a 5 day application 'window' between 24 August and 28 August 2020.

Applications from previously unsuccessful businesses will also be 'rolled' forward and considered against the revised policy.

As with the existing scheme, any business wishing to claim will be asked to complete a form on the Council's website and once the application window period is closed, all awards will be considered against the criteria set out within the policy, which allows for the application of local discretion where necessary. The Council will be promoting the scheme through as many communication channels as possible and contacting local business as necessary.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Attached – Proposed Discretionary Business Grants Scheme 2020/21 – Phase 4