

## **Proposed Minor Amendment to Discretionary Business Grants Policy – Phase 4**

The Council has operated 4 phases of its Discretionary Business Grants policy with the application deadline for the last phase of the scheme recently ending on 28 August 2020.

A large number of applications were received along with rolling forward all those from earlier phases to make sure they are reviewed against the revised scheme criteria to ensure consistency across all of the phases.

***A summary of the Qualifying Criteria for Phase 4 of the scheme is as follows:***

### **General Criteria**

- To be a Small or Micro Business
- Have relatively high on-going fixed property related costs
- Can demonstrate a significant fall in income due to COVID 19.
- They must have been trading on 11<sup>th</sup> March 2020

### **National Priority Businesses**

- Those that occupy shared / flexible space who do not have their own rating assessment
- Regular Market Traders
- Bed and Breakfasts
- Charities

### **Local Priority Businesses**

- Those that support the Retail, Hospitality and Leisure Sectors
- Those that operate within the Retail, Hospitality and Leisure Sectors who have rateable value in excess of £51k

The policy made it clear that business that met the above criteria would be prioritised. However, through the operation of earlier phases of the scheme, it was clear that many business had suffered losses in income due to COVID 19 but could not demonstrate they met all of the criteria e.g. they have not incurred relatively high fixed property costs.

Therefore to enable the Council to consider applications from as many businesses as possible the following clause was included in Phase 4 of the scheme:

*Clause 7.5 – Although the Council will prioritise businesses who meet the eligibility criteria set out in this policy, the Council reserves the right to invite and consider applications from all other businesses in the district who have been adversely affected by the on-going COVID 19 crisis.*

In terms of the level of grants that can be awarded, Phase 4 of the policy set out the following:

*For National Priority businesses, the following level of grants may be awarded:*

- *Up to £25k in exceptional circumstances*
- *Up to £10k to small businesses (as defined within the policy)*
- *Up to £5k for micro businesses (as defined within the policy)*

For Local Priority businesses, the following level of grants may be awarded:

- £10k where a business has a rateable value of up to £15,000
- £25k where a business has a rateable value of £15,001 and above.

For all other businesses, the level of grant awarded will be determined once all applications have been determined but will be consistent with the levels set out above.

Against all of the above, Officers have now accessed each application with the outcome summarised as follows: (figures reflect the position across all phases of the scheme)

Successful Applications		Number	Individual Grant Level £	Total Of Grants Awarded £
National Priority Businesses who meet all of the scheme criteria	Shared / Flexible Space	0	n/a	0
	Market Trader	0	n/a	0
	B&B	0	n/a	0
	Charity	0	n/a	0
Local Priority Businesses who meet all of the scheme criteria	Businesses Supporting the RHL Sector	8	25,000	200,000
	Businesses Operating Within the RHL Sector	15	25,000	375,000
All other Applications	Shared / Flexible Space 1	44	5,000	220,000
	Shared / Flexible Space 2	3	10,000	30,000
	Market Trader	17	5,000	85,000
	B&B	5	5,000	25,000
	Charity 1	4	5,000	20,000
	Charity 2	4	10,000	40,000
	Charity 3	1	25,000	25,000
	Other 1	70	5,000	350,000
	Other 2	2	10,000	20,000
	Other 3	9	25,000	225,000
<b>TOTAL</b>				<b>1,615,000</b>

There were a number of unsuccessful applications due to them not meeting underlying / mandatory criteria, such as they did not operate within the district, have already received a grant under one of the other government business grant schemes or were not trading on 11 March 2020.

The total funding made available to the Council was £1,718,500. Therefore, based on the level of successful applications set out in the table above totalling £1,615,000, the balance of £103,500 would therefore remain unspent and so returnable to the Government.

However clause 9.5 of the discretionary grants policy states:

*The Council Reserves the right to change the amount of the grant awards, depending on the number of applications received. The total of any grant awarded by the Council cannot be challenged.*

Therefore there is an opportunity to review the individual grant levels. However in reality this is limited as the Government have stated the level of grants can only be £25k, £10k or any amount less than £10k. Therefore the only level of grant that can be revised is the £5k one.

Based on this limited approach there are two main options – either share the remaining funding equally across all of the grant recipients who would otherwise receive £5k, or introduce a system where the level of grant is based on factors such as the level of income actually lost or the level of fixed costs incurred by the business. The latter would be complex and administratively burdensome with ‘cliff edges’ between grant levels which could be seen to be arbitrary / unfair.

Therefore it is proposed to implement the simply approach of sharing the funding out equally. Based on the number of successful applications at the £5,000 level, the grant would need to be increased to £5,739 to ensure the full £1,718,500 of Government was fully spent within the district.

As part of agreeing phase 4 of the scheme, the following delegation was included:

***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.***

**In accordance with this delegation, it is recommended that:**

**In consultation with the Chief Executive, the Portfolio Holder for Housing agrees to introduce a new grant level of £5,739 to replace the existing £5,000 grant level within the Council’s Discretionary Business Grants Policy.**