

COVID-19 DISCRETIONARY BUSINESS SUPPORT GRANT SCHEME

Relevant Portfolio Holder	Cllr David Thain
Portfolio Holder Consulted	Yes
Relevant Head of Service	Jayne Pickering, Executive Director Finance and Resources
Ward(s) Affected	All
Ward Councillor(s) Consulted	None Specific
Key Decision / Non-Key Decision	Non-Key Decision

1. SUMMARY OF PROPOSALS

This report considers the new local authority discretionary business support grants and the council's guidelines for making awards from its allocation.

2. RECOMMENDATIONS

Executive Committee is asked to RECOMMEND TO COUNCIL that

- a) The guidance for awards of discretionary grants detailed in appendix A is adopted.**
- b) The Executive Director for Finance and Resources is authorised to finalise the guidance and to make other decisions in relation to the payment of grants, following consultation with the Chief Executive and the Portfolio Holder for Corporate Management**

3. KEY ISSUES

- 3.1 The government announced a Local Authority Discretionary Grants Fund on 1 May 2020 and published guidance for local authorities on 13 May 2020. This guidance is attached at Appendix B. There has been a slight subsequent revision to this guidance and the proposed policy takes into account the most recent guidance.
- 3.2 This further scheme provides financial support to businesses impacted by the Covid-19 pandemic and is in addition to the two existing schemes administered by local authorities: the Small Business Grants Fund and the Retail, Hospitality and Leisure Grants Fund.
- 3.3 Local authorities have been provided with discretion as to which businesses to support under their scheme, however, government has stated their expectation that businesses in shared offices, small bed and breakfasts, charities in occupation on one small property, and market traders with fixed property costs are prioritised for grant.

- 3.4 Grants provided under the discretionary scheme may be of £25,000, £10,000 or any amount below £10,000. Authorities are required to develop clear criteria for determination of grant and to publish details on their website.
- 3.5 It is anticipated that businesses will be required to make an application for support under the discretionary scheme and that payments will be made from early June 2020.
- 3.6 The Government has announced three mandatory criteria for support under the scheme;
- a) The business must have been trading on 11th March 2020; and
 - b) The business must not be eligible or have received support under the other Covid-19 support schemes.
 - c) The business must not be in administration, insolvent or have had an order to strike off made.
- 3.7 The Government has advised that payments under the scheme should be targeted at small and micro businesses.
- 3.8 The total expenditure under the discretionary scheme may not exceed the council's allocated funding of £724k
- 3.9 To ensure fairness in the allocation of payments the grants will first be awarded to the Government's priority groups, and then where sufficient funding remains awards will be made to the businesses in the council's priority groups. If funds remain available payments will be made to small or micro businesses that can demonstrate a significant loss in income as a result of the Covid-19 pandemic.
- 3.10 To ensure fairness in the awards of grant the scheme will be open for applications for a fixed period of x (*tbc*) days, awards will then be made to businesses in the priority one, priority two and priority three groups in that order. If funds are exhausted at any of the priority levels then no further grants will be paid.

3.11 It is proposed that the Council's allocation is targeted as follows:

Type of Business	Estimate of eligible businesses	Grant amount per business (£)	Total Cost (£)
Priority One			
Shared Offices	30	5,000	150,000
Charities	17	10,000	170,000
Bed and Breakfasts	5	5,000	50,000
Market Traders	20	5,000	100,000
Priority Two			
Events and Exhibitions			
a. RV below £15,001	1	10,000	10,000
b. RV between £15,001 and £50,999	3	25,000	75,000
Travel and Leisure			
a. RV below £15,000	0	10,000	0
b. RV between £15,001 and £50,999	2	25,000	50,000
Priority Three			
Pubs, Gyms and Children's Centres	2	25,000	50,000
Retail, Leisure and Hospitality Supply Chain Businesses			
c. RV below £15,001	Unknown	10,000	
d. RV between £15,001 and £50,999	Unknown	25,000	

Financial Implications

3.12 The costs of the grants made under the Discretionary Grants Fund will be met in full by Government. Controls must be put in place to ensure that the award of grant does not exceed the funds allocated by Government.

Legal Implications

3.13 The Council has been funded by the Government under section 31 of the Local Government Act 2003. Section 1 of the Localism Act 2011 provides all local authorities with the vires to make these payments.

Service/Operational Implications

- 3.14 The operation of the scheme will place additional pressures on the Revenue Services Section – the scheme will be delivered within existing resources but a review of the impact of delivery of discretionary schemes on the effectiveness of the revenues services will be required and additional resources may be needed to remedy in decline in overall performance. It is anticipated that support from customer services advisors will be available to meet call demand.

Customer / Equalities and Diversity Implications

- 3.15 The scheme will be required to deliver support quickly to businesses within Redditch and must ensure that the maximum amount of funding is made available to businesses within the Redditch area.

4 RISK MANAGEMENT.

- 4.1 There is risk of reputational damage if the scheme does not maximise expenditure and ensure the full amount of support is provided to businesses within the Redditch District. Officers have looked to mitigate challenge having reviewed guidance and the impact Covid 19 has had on businesses in the District.

5. APPENDICES

Appendix A: Redditch Borough Council – Guidelines for Discretionary Grants Scheme.

Appendix B: Grant Funding Schemes: Local Authority Discretionary Grants Fund – guidance for local authorities.

6. BACKGROUND PAPERS

None

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