

INDIVIDUAL EXECUTIVE DECISION MAKING MEETING

EXECUTIVE MEMBER - THE MAYOR

RECORD OF DECISION

An Individual Executive Decision Making meeting was held on 1 July 2020.

PRESENT: Councillors Mayor A Preston (Chair)

OFFICIALS: S Blood, C Lunn and J Savage

19/7 DISCRETIONARY GRANTS FUND POLICY - PHASE 2

The Director of Finance submitted a report that sought approval for the Discretionary Grants Fund Policy – Phase 2.

The report required Executive approval for the introduction of a discretionary policy to administer the discretionary grants.

The report outlined that on 1 May 2020, Central Government announced that funds would be made available to the Council to support small businesses which had not received any support under Central Government COVID-19 initiatives and these funds would be allocated in line with local Discretionary Grant Fund policies.

Middlesbrough Council's allocation was approx. £1.1m, which was to be used to support the discretionary grant fund payments in respect of 2020-2021.

As set out in the report submitted to the Individual Executive Member Meeting on 3 June 2020 seeking approval for Phase 1, Central Government provided local authorities with guidance outlining the type of business that they considered to be a priority in terms of allocating grant payments and these were -

- Small businesses in shared offices/flexible workspaces
- Regular market traders with fixed building costs
- Bed and Breakfasts paying Council Tax
- Charity properties in receipt of charitable business rates relief who would otherwise have been eligible for small business rates relief

Following an application process a relatively small number of businesses have qualified for the discretionary grant. The scheme has now been further developed and extended under Phase 2 to include ALL small/micro businesses.

The qualifying criteria remain the same as for Phase 1. Each of the businesses that apply would need to demonstrate that they have relatively high ongoing fixed property-related costs and have suffered a significant fall in income due to the COVID-19 crisis. Such businesses would occupy a property or part of a property with a rateable value below £51,000.

The extended scheme invited applications for all small/micro businesses that have not received any COVID-19 financial support. It is anticipated that the funding unspent in Phase 1 would be spent in Phase 2. Phase 2 would operate in line with the policy on a 'first come first served' basis, due to the limited funding available.

Middlesbrough Council would treat Nurseries (Pre School) eligible for Nurseries Discount as the exception. This sector would be prioritised to receive a grant in Phase 2. The decision was taken on the basis that these businesses have an important role in supporting parents

wishing to return to many places of work.

In the event that the £1.1m allocation was not spent, then in line with the policy, any remaining funds would be distributed across qualifying businesses who received a £5,000 grant at either Phase 1 or Phase 2.

The Discretionary Grant Fund Policy – Phase 2 is attached to this report for consideration.

Options

Other potential decisions and why these have not been recommended

Central Government have provided funding to all Councils with an expectation that this funding will be distributed in line with government guidelines and on that basis, no other decisions have been considered.

ORDERED

1. That the Mayor approves Phase 2 of the Discretionary Grants Fund Policy in response to the announcement by Central Government on 1 May 2020 of additional funding for small businesses as a consequence of COVID-19 which were not previously eligible for a business grant.
2. That delegated authority to approve any modifications to this policy be given to the Executive Member for Finance and Governance.

REASON

Central Government was providing funding and guidance with an expectation that Local Authorities would provide financial support to local businesses. This will mean some businesses which did not qualify for a business grant may now do so now under the discretionary scheme.

The decision will come into force with immediate effect and is not subject to scrutiny call-in procedures.