

Report of:	<i>Director of Finance – Ian Wright Executive Member for Finance & Governance – Councillor Chris Hobson</i>
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Submitted to:	<i>Individual Executive Member Meeting - The Mayor - 1 July 2020</i>
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Subject:	<i>Discretionary Grants Fund Policy – Phase 2.</i>
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Summary

Proposed decision(s)
<p>That the Mayor approves phase 2 of the discretionary grants fund policy in response to the announcement by Central Government on 1 May 2020 that additional funding to support small businesses as a consequence of COVID-19 which were not previously eligible for a grant payment.</p> <p>That delegated authority to approve any modifications to this policy be given to the Executive Member for Finance & Governance.</p>

Report for:	Key decision:	Confidential:	Is the report urgent?¹
<i>Decision</i>	<i>Yes</i>	<i>No</i>	<i>Yes</i>

Contribution to delivery of the 2020-23 Strategic Plan		
People	Place	Business
<i>Supporting small businesses which were not eligible for either the Small business Grant or the Retail, Leisure and Hospitality Grant. This is in response to recent Government COVID-19 initiatives.</i>	<i>NA</i>	<i>It is important to ensure small businesses in Middlesbrough receive the support intended by Central Government through COVID-19 initiatives.</i>

Ward(s) affected
<i>All wards are potentially affected by the proposals put to pay additional grants.</i>

What is the purpose of this report?

1. This report seeks approval for the Discretionary Grants Fund Policy – Phase 2.

Why does this report require a Member decision?

2. The introduction of a discretionary policy to administer the discretionary grants solution requires member approval.

Report Background

3. On 1 May 2020, Central Government announced that funds would be made available to the Council to support small businesses which have not received any support under Central Government COVID-19 initiatives and these funds would be allocated in line with local Discretionary Grant Fund policies.
4. Middlesbrough Council's allocation is approx. £1.1m, which is to be used to support the discretionary grant fund payments in respect of 2020-2021.
5. 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 are;-
 - 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
6. 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.
7. The qualifying criteria remain the same as for Phase 1. Each of the businesses that apply will 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 will occupy a property or part of a property with a rateable value below £51,000.
8. The extended scheme invites 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 will be spent in Phase 2. Phase 2 will operate in line with the policy on a 'first come first served' basis, due to the limited funding available. Middlesbrough Council will treat Nurseries (Pre School) eligible for Nurseries Discount as the exception. This sector will be prioritised to receive a grant in Phase 2. The decision is taken on the basis that these businesses have an important role in supporting parents wishing to return to many places of work.
9. In the event that the £1.1m allocation is not spent, then in line with the policy, any remaining funds will be distributed across qualifying businesses who received a £5,000 grant at either Phase 1 or Phase 2.

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

What decision(s) are being asked for?

11. 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.

12. That delegated authority to approve any modifications to this policy be given to the Executive Member for Finance & Governance.

Why is this being recommended?

13. Central Government is providing funding and guidance with an expectation that Local Authorities will 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.

Other potential decisions and why these have not been recommended

14. 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.

Impact(s) of recommended decision(s)

Legal

15. There are no legal implications regarding this report.

Financial

16. The cost of the scheme has been provided for by funding made available from Central Government.

Policy Framework

17. N/A

Equality and Diversity

18. N/A

Risk

19. There is no financial risk to the Council. All Discretionary Grant Fund payments made will result in businesses being positively impacted, and the grants are being funded by the support from Central Government to the value of £1.1m.

Actions to be taken to implement the decision(s)

20. That the Mayor agrees the Discretionary Grant Fund Policy.

Appendices

Appendix A – Discretionary Business Grant Scheme – Phase 2.

Appendix B – Central Government Guidance.

Background papers

There are no background papers.

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