

<b>Report of:</b>	<i>Executive Member for Finance &amp; Governance – Councillor Chris Hobson Strategic Director of Finance Governance &amp; Support – James Bromiley</i>
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<b>Submitted to:</b>	<i>Individual Executive Member Meeting – The Mayor - 3 June 2020.</i>
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<b>Subject:</b>	<i>Discretionary Grants Fund Policy</i>
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**Summary**

<b>Proposed decision(s)</b>
<i>That the Mayor approves 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.</i>

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

<b>Contribution to delivery of the 2020-23 Strategic Plan</b>		
<b>People</b>	<b>Place</b>	<b>Business</b>
<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>

<b>Ward(s) affected</b>
<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.

## **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. Following the announcement on 1 May 2020, it is anticipated that Middlesbrough Council will be allocated £1.1m which is to be used to support the discretionary grant fund payments in respect of 2020-2021.
5. Central Government have provided local authorities with guidance outlining the type of business that they consider 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. 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. The intention is that such businesses will occupy a property or part of a property with a rateable value or annual rent or annual mortgage payments below £51,000.
7. The local authority is able to exercise local knowledge to determine which cases fall within the criteria outlined in point 5. From information gathered so far it is anticipated that approx. 150 businesses could fall within the priority group however, this could be more or less. As some of the business are not held within the rating system it is difficult to determine eligibility therefore the scheme will operate in line with the policy on a 'first come first served basis' due to the limited funding available.
8. It is anticipated that most if not all of the £1.1m will be spent against this priority group. Should that not be the case, an amendment to the discretionary policy – 'Phase Two' will be necessary to extend the funding to 'other' businesses, which Middlesbrough would wish to support/consider.
9. The Discretionary Grant Fund Policy is attached to this report for consideration.

## **What decision(s) are being asked for?**

10. That the Mayor approves 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.

## **Why is this being recommended?**

11. 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**

12. 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***

13. There are no legal implications regarding this report.

### ***Financial***

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

### ***Policy Framework***

15. N/A

### ***Equality and Diversity***

16. N/A

### ***Risk***

17. 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)**

18. That Executive agree the Discretionary Grant Fund Policy.

## **Appendices**

Appendix A – Discretionary Grant Fund Policy.

Appendix B – Central Government Guidance.

## **Background papers**

There are no background papers.

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