

| Bath & North East Somerset Council                                    |   |                                      |
|---|---|--------------------------------------|
| MEETING/<br>DECISION<br>MAKER:  | Cabinet Member for Resources  |                                      |
| MEETING/<br>DECISION<br>DATE:   | On Friday 22 <sup>nd</sup> May 2020                                   | EXECUTIVE FORWARD<br>PLAN REFERENCE: |
|   |   | E 3208                               |
| TITLE:  | RULES 4 and 16 - Covid-19 Business Support Grants: Discretionary Fund |                                      |
| WARD:   | All   |                                      |
| AN OPEN PUBLIC ITEM   |   |                                      |
| List of attachments to this report:                                   |   |                                      |
| Appendix 1 - Covid Business Support Grants: Discretionary Fund Policy |   |                                      |
| Appendix 2 - Grant Application and Award Process and Timeline         |   |                                      |

## **1 THE ISSUE**

- 1.1 In response to the Coronavirus, COVID-19, the government announced there would be support for small businesses, and businesses in the retail, hospitality and leisure sectors, delivered through the Small Business Grant Fund and the Retail, Leisure and Hospitality Grant Fund.
- 1.2 The government has now announced an additional discretionary fund aimed at providing support for some small and micro businesses who were not eligible for the Small Business Grant Fund or the Retail, Leisure and Hospitality Fund.
- 1.3 The Government has provided guidance that sets out criteria and information which needs to be considered to support Local Authorities in administering the discretionary fund.

## **2 RECOMMENDATION**

### **The Member is asked to;**

- 2.1 Approve the Discretionary Fund scheme as set out in Appendix 1.
- 2.2 Note the proposed grant application and award process and timeline as set out in Appendix 2.
- 2.3 To delegate the application of the grant fund to the Director of Economy & Growth, in consultation with the Cabinet Member for Resources, the CX, the S151 Officer and the Monitoring Officer to ensure the grant is distributed within the £2.143m government funding, with fair distribution across the eligible business groups.

## **3 THE REPORT**

- 3.1 To provide additional support for some small and micro businesses previously outside the scope of the business grant funds scheme, the government has set up a discretionary fund to be administered by local authorities.
- 3.2 The West of England unitary authorities (Bath & North East Somerset Council, Bristol City Council, North Somerset Council and South Gloucestershire Council) have developed a regional policy to provide some consistency in the additional support available to businesses across the wider region.
- 3.3 The proposed policy is attached to this report as Appendix 1. The policy sets out how the fund will operate including, criteria for grants, eligible businesses and individual grant levels.
- 3.4 Taking into account the government guidance, the policy proposes the following businesses are prioritised for grants from the discretionary fund:
  - Charities and community organisations – with a property that has a rateable value of up to and including £15,000, in receipt of mandatory charitable business rate relief, that otherwise would have been eligible for Small Business Rate Relief or Rural Rate Relief and therefore not eligible for funding under the existing grant schemes.
  - Businesses in Shared / Flexible workspaces – that have exclusive use of a unit but do not have their own business rate assessment. Examples include units in offices, industrial parks, science parks and incubators.
  - Market / Street Traders – with a fixed pitch and a street trading licence or lease agreement if in a covered market.
  - Bed & Breakfasts and guest houses – where the business owner lives on site, holds a valid food safety registration with the council and is paying council tax rather than business rates.
- 3.5 The government will provide funding equivalent to 5% of the grants fund allocation for the Small Business Grants Fund and Retail, Hospitality and Leisure

Grants Fund using data returns submitted on 4<sup>th</sup> May 2020. This equates to a funding cap for the council's scheme of £2.143m.

- 3.6 To provide support to as many businesses as possible it is proposed that the discretionary grants which the council will award will be capped to a maximum of £5,000.
- 3.7 To ensure grant awards under the scheme are contained within the government funding limits, it is proposed that a defined application period will be used, following which applications will be assessed against criteria and the prioritisation measures as set out in Appendix 2 to ensure fair distribution across the business groups

#### **4 STATUTORY CONSIDERATIONS**

- 4.1 Local authorities will be responsible for delivering grants to eligible businesses. Section 1 of the Localism Act 2011 provides all local authorities with the vires to make these payments.
- 4.2 State Aid rules will apply and these are documented in Appendix 1.
- 4.3 This decision is to be made under part 4C Rule 4 and Part 4B Rule 16 of the council's constitution as an urgent decision. This matter is urgent because the council needs to implement the Discretionary Business Support grant scheme at pace to allow the grant application process to be opened by 27th May 2020, so that support to charities and businesses impacted by Covid19 can be provided as quickly as possible.

#### **5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

- 5.1 The Council's confirmed allocation of funding for the discretionary fund is £2.143m.
- 5.2 In order to maintain costs of the scheme within the available funding, grants have been limited to a cap of £5,000 and if the number of eligible claims exceeds the funding available, the award of grants will be prioritised to ensure fair distribution across the business groups.

#### **6 RISK MANAGEMENT**

- 6.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision-making risk management guidance.
- 6.2 Due to the uncertainty around the numbers of claims for support under the proposed scheme it is proposed to delegate the application of the grant fund to the Director of Economy & Growth, in consultation with the Cabinet Member for Resources, the CX, the S151 Officer and the Monitoring Officer to ensure the grant is distributed within the funding envelope with fair distribution across the eligible business groups.

## 7 CLIMATE CHANGE

- 7.1 This grant scheme widens access to support to businesses who are struggling to survive due to the Corona virus shutdown but are unable to access other grant funding. The proposed eligibility criteria is in line with government guidance which does not include climate change impacts as a basis on which to award grants under this scheme.

## 8 OTHER OPTIONS CONSIDERED

- 8.1 Various grant levels were considered across the eligible businesses and charities, a cap on individual grants of £5,000 is proposed to enable the Council to support as many businesses as possible within the funding available.

## 9 CONSULTATION

- 9.1 The report has been cleared by the S151 Officer and Monitoring Officer.

|  |  |
|--|--|
| <b>Contact person</b>  | John Wilkinson (Director of Economy & Growth)<br>Andy Rothery (Director of Finance & S151 Officer)   |
| <b>Background papers</b>   | Local Authority Discretionary Grants Fund – guidance for local authorities:<br><a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/885011/local-authority-discretionary-grants-fund-guidance-local-government.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/885011/local-authority-discretionary-grants-fund-guidance-local-government.pdf</a> |
| <b>Please contact the report author if you need to access this report in an alternative format</b> |  |