

## **Executive/Mayoral Decision**

### **LOCAL AUTHORITY DISCRETIONARY GRANT FUND**

**EXECUTIVE MEMBER:** Mayor Mike Starkie (Portfolio Holder for Revenues).

**LEAD OFFICER:** Steven Brown, Director of Financial Resources.

**REPORT AUTHOR:** Janet Sinnott, Revenues Team Leader.

#### **SUMMARY:**

This report contains a key decision to approve the attached Discretionary Grant Fund Policy document.

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.

#### **RECOMMENDATION:**

In accordance with Government guidance received on 13 May 2020 approve the attached Discretionary Grant Fund policy.

## **1. INTRODUCTION**

- 1.1. In response to 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. This additional discretionary fund, to which this report and policy document relate, is aimed at small businesses who are not eligible for other COVID-19 related grant funds, such as those under 1.1 above.

1.3. The eligibility criteria for this fund have been set by Central Government and grants are prioritised for the following businesses:

- Small and micro businesses, as defined in Section 33 Part 2 of the Small Business, Enterprise and Employment Act 2015 and the Companies Act 2006;
- Businesses with relatively high ongoing fixed property-related costs;
- Businesses which were trading on 11 March 20;
- Businesses which can demonstrate that they have suffered a significant fall in income due to the COVID-19 crisis;
- Businesses which occupy property, or part of a property, with a rateable value, annual rent or annual mortgage payments below £51,000.

## **2. FINANCIAL CONSIDERATIONS**

2.1 The cost to the Council will be met in one of two ways:

- If all of the grant fund allocation for the Small Business Grant Fund and Retail, Hospitality and Leisure Grants Fund is used, the Council will receive an additional payment of 5% of the original allocation (using a grant under section 31 of the LGA 2003)
- Councils that, have taken all reasonable steps to provide grants to eligible businesses for the Small Business and the Retail, Leisure and Hospitality Grants Fund, still have unspent initial grant funds, will fund the grants from the unspent residual. Councils with a projected underspend of 5% cannot allocate awards above their 5% threshold.

2.2 Copeland Borough Council received £18,032,000 of grant funding to administer the Small Business and the Retail, Leisure and Hospitality Grant Funds.

2.3 At the time of writing, the Council has paid out £14.7 million to eligible businesses and we continue to process applications as they are received. To date, no deadline has been set for applications.

- 2.4 Copeland Borough Councils requirement to administer the scheme as identified under 1.1 is £17,065,000
- 2.4 5% of the requirement equates to £853,250.
- 2.5 It is likely that the Council will have unspent funds from the original grant scheme and this surplus will be used to fund the discretionary scheme.

### **3 DETAIL**

- 3.1 Due to the limited funds available for this scheme, and to ensure that Copeland Borough Council is able to support the maximum number of businesses possible through the pandemic, grant amounts will be awarded on a sliding scale between £2000 and £10,000. How much a business receives will depend on their circumstances.
- 3.2 Copeland Borough Council will take the following in to consideration when determining the level of grant per business:
- The level of fixed property costs faced by the business;
  - The number of employees;
  - The loss of income.

#### **3.3 Estimated grant amount:**

	<b>Property costs</b>	<b>Employees</b>	<b>Loss of income</b>	<b>Amount of Grant</b>
A	£2,400-£4,999	Fewer than 10	Up to £4,999	Up to £2,000
B	£5,000- £9,999	11-20	£5,000 - £9,999	Up to £4,000
C	£10,000- £14,999	21-30	£10,000 - £14,999	Up to £6,000
D	£15,000- £19,999	31-40	£15,000 - £19,999	Up to £8,000
E	£20,000-£50,999	41-49	£20,000 plus	Up to £10,000

- 3.4 Applications will be considered against all three of the above criteria. The amount paid will be the highest amount applicable after all three of the above criteria have been verified.

- 3.5 If the fund is oversubscribed, the Council reserve the right to amend grant levels, based on the applications received and approved. This will ensure that the maximum number of businesses receive support through this scheme.
- 3.6 Copeland Borough Councils scheme will launch in line with all other Districts in Cumbria on 1 June 20. Applications will be received during a two week window and payments will be made to eligible businesses on or around 22 June 20.

#### **4. PROPOSALS**

- 4.1. To approve the attached policy document at Appendix A.

#### **5. CONCLUSIONS**

- 5.1. The financial impact of COVID-19 for businesses and the community is significant, working with Government we have been able to provide much needed financial support through business grants.

#### **6. STATUTORY OFFICER COMMENTS**

- 6.1. Legal Comments are: Included in Decision Record
- 6.2. The Monitoring Officer's comments are: Included in Decision Record
- 6.3. The Section 151 Officer's comments are: Included in Decision Record
- 6.4. EIA Comments: Not applicable.
- 6.5. Policy Framework: Not applicable.
- 6.6. Other Consultee Comments, if any: None.

#### **7. RESOURCE REQUIREMENTS**

- 7.1. Contained within the report.

#### **8. HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?**

8.1. The proposals will be managed by Director of Financial Resources.

**9. WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?**

9.1. Contained within the body of the report.

**List of Appendices**

Appendix A: Discretionary Grant Fund Policy Document

**List of Background Documents:**

**Grant Funding Schemes**

Local Authority Discretionary Grants Fund – guidance for local authorities