

Cheltenham Borough Council
Cabinet – 09 June 2020
Local Discretionary Business Grant Scheme

Accountable member	Councillor Rowena Hay, Cabinet Member Finance
Accountable officer	Jayne Gilpin, Head of Revenues and Benefits
Ward(s) affected	All
Key/Significant Decision	Yes
Executive summary	<p>As part of its support measures in response to COVID-19 the Government announced on 1st May 2020 that it would provide Councils with funding to develop and administer a Local Discretionary Business Grant Scheme alongside the Small Business Grants Fund and Retail, Hospitality and Leisure Grants. Cheltenham has been allocated £1,128,750.</p> <p>This additional fund is aimed at small businesses with ongoing fixed property-related costs. The Government has set some national criteria, allowing authorities to determine which businesses to support within the criteria.</p> <p>This grant scheme gives the Council the opportunity to use its discretion to assist a range of additional local businesses that contribute to the Borough's local economy, within the parameters of the national scheme.</p>
Recommendations	<p>Cabinet is recommended to</p> <ol style="list-style-type: none"> 1. Approve the Local Discretionary Business Grant Scheme in Appendix 2 2. Delegate authority to the Head of Revenues and Benefits to take decisions relating to applications made under the Local Discretionary Business Grant Scheme and to delegate authority to the Executive Director Finance and Assets, in consultation with the Cabinet Member Finance, to consider and determine any reviews requested in respect of such decisions.

Financial implications	<p>As detailed within the report and appendix 2, Central Government is providing this Council with £1,128,750. This is 5% of the funding allocation for the estimated number of businesses eligible for the Small Business Grants Fund and Retail, Hospitality and Leisure Grants as at 4th May 2020. The 5% funding is being made available from any residual unspent balance of the initial grant allocation. Additional funding will be provided by Government where the remaining unspent balance is insufficient for the 5% allocation.</p> <p>At present the Government is not allocating funding above the 5% and any grants awarded above this allocation must be funded by the Council.</p> <p>As funding is limited the actual level of grants to businesses will be decided once applications have been received and it is known how many businesses are entitled.</p> <p>New burdens funding will be provided in respect of the administration costs of this scheme.</p> <p>Contact officer: Paul Jones paul.jones@cheltenham.gov.uk, 01242 775154</p>
Legal implications	<p>The Council has statutory power to award discretionary rate relief under S47 of the Local Government Finance Act 1988 (as amended by S69 of the Localism Act 2011).</p> <p>Contact officer: Shirin Wotherspoon shirin.wotherspoon @tewkesbury.gov.uk 01684 272017</p>
HR implications (including learning and organisational development)	<p>There are none associated with this report</p>
Key risks	<p>See appendix 1</p>
Corporate and community plan Implications	<p>We will continue to invest in our high street and public spaces for the benefit of people living, working and visiting Cheltenham and the payment of these grants will enable many of our valued businesses to remain trading post COVID-19.</p>
Environmental and climate change implications	<p>None</p>
Property/Asset Implications	<p>There is nothing in this report which impacts on Council properties</p> <p>Contact officer: Dominic.Stead@cheltenham.gov.uk</p>

1. Introduction

- 1.1** On 1st May the Government announced an additional discretionary business grants fund to help businesses that fall outside the current eligibility requirements for Small Business Grants or retail, hospitality and Leisure Grants announced in March.
- 1.2** The additional funding is being aimed at small and micro businesses which have relatively high ongoing fixed building-related costs and can demonstrate a significant fall in income due to the COVID-19 crisis.
- 1.3** The Funding being allocated is 5% of the funding allocation for the estimated number of businesses eligible for the Small Business Grants Fund and Retail, Hospitality and Leisure Grants on 4th May 2020. For this Council the funding is £1,128,750.
- 1.4** The maximum grant that can be awarded in the local scheme is £25,000. The next level is £10,000 and then any amount under £10,000.
- 1.5** The Government has requested that Councils consider collaborating on their discretionary schemes to ensure there is consistency where they are working across a functional economic area (e.g. a Local Enterprise Partnership area). Cheltenham, Gloucester, Tewkesbury and Stroud Councils have worked together to design a scheme which is consistent across the four council areas.

2. The Local Discretionary Business Grant Scheme

- 2.1** The grants are to be primarily and predominantly aimed at
 - 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 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 or annual rent or annual mortgage payments below £51,000.
- 2.2** The Council is able to exercise some discretion when allocating the fund to support business types most relevant to the local economy but the Government has prioritised the following types of businesses to be included in schemes
 - Small businesses in shared offices or other flexible workspaces. Examples could include units in industrial parks, science parks and incubators which do not have their own business rates assessment;
 - Regular market traders with fixed building costs, such as rent, who do not have their own business rates assessment;
 - Bed & Breakfasts which pay Council Tax instead of business rates; and
 - Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief.
- 2.3** The Local discretionary Grant Scheme in appendix 2 sets out the Councils approach to

awarding this grant funding which is consistent across the four councils.

- 2.4 The scheme follows the national criteria set by Government and includes the business types that the Government wants prioritised with some additional conditions to determine eligibility.
- 2.5 The Department for Business, Energy & Industrial Strategy (BEISS) has issued a guidance document which will be used in administering the scheme along with any updated versions and supplementary guidance.
- 2.6 In designing the scheme the four Councils have included an additional local priority to support certain businesses in the hospitality sector which are likely to remain closed for a longer period due to the COVID-19 restrictions and were not eligible for support in the previous scheme. The details are contained within section 7 of the scheme in appendix 2.
- 2.7 Funding for this grant scheme is limited and therefore the scheme will only be open for businesses to submit applications during a short period between 9th and 21st June.
- 2.8 An on-line application form will be available on the Council's website.
- 2.9 Once the application window has closed the applications will be assessed. The maximum level of grant for each category of business type will then be determined based on demand.
- 2.10 Grant payments should start being made to businesses from 25th June 2020.
- 2.11 If any funding remains once all applications have been assessed and grants awarded it may be possible to open another application window.

3. Alternative options considered

- 3.1 None
- 3.2 The Government has made the funding available to provide support to certain categories of business not eligible under the previous grant schemes

4. Consultation and feedback

- 4.1 The four Councils, Cheltenham, Gloucester, Stroud and Tewkesbury have worked collaboratively in developing a consistent scheme.
- 4.2 Gloucestershire County Council, GFirst LEP, Cheltenham BID and the Cheltenham MP's office have been consulted to ensure the scheme provides consistent support to priority businesses across the four areas.

5. Performance management – monitoring and review

- 5.1 The number of businesses eligible for grants and the amounts paid will be recorded in the Revenues and Benefit system. The amount of funding allocated will be closely monitored.
- 5.2 The Department for Business, Energy & Industrial Strategy (BEIS) will require a weekly report on progress in administering grant payments under this scheme and may publish

the information.

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Appendices	<ol style="list-style-type: none">1. Risk Assessment2. Local Discretionary Business Rates Grant Scheme
Background information	<ol style="list-style-type: none">1. Section 47 Local Government Finance Act 1988, as amended by clause 69 of The Localism Act 20112. Local Authority Discretionary Fund :guidance for Local Authorities https://www.gov.uk/government/publications/coronavirus-covid-19-guidance-on-business-support-grant-funding?5432.

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	If the number of businesses eligible for the scheme exceed the funding allocation the council will be required to cover the cost	Jayne Gilpin	03/06/2020	3	1	3	Accept	Approve the scheme conditions so that the actual grant amount paid to businesses is determined once the level of demand is known	03/06/2020	Jayne Gilpin	

Explanatory notes

Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)

Likelihood – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)

Control - Either: Reduce / Accept / Transfer to 3rd party / Close