

<b>Committee: Emergency Committee</b>	<b>Date: 5<sup>th</sup> June 2020</b>
<b>Subject: Discretionary Business Grant Scheme</b>	<b>Wards Affected: All</b>
<b>Report of: Director of Corporate Resources</b>	Public
<b>Report Author:</b> Name: Jacqueline Van Mellaerts, Director of Corporate Resources Telephone: 01277 312 500 E-mail: Jacqueline.vanmellaerts@brentwood.gov.uk	Decision

### Summary

The Discretionary Business Grant Scheme was announced by the Secretary of State for Business, Energy & Industrial Strategy (BEIS) on 1<sup>st</sup> May 2020 and outlined in detailed guidance on 13<sup>th</sup> May 2020, and further guidance on 22<sup>nd</sup> May. This report outlines how Brentwood Borough Council will locally administer this discretionary scheme, aimed at businesses that were not eligible for either of the two previous Small Business Grant Fund or the Retail, Leisure and Hospitality Fund, to support the Government's Covid-19 response.

The Grants to be awarded are at total discretion of the Council, however BEIS has set down eligible **criteria** which must be met by each business making an application. The department has also indicated types of businesses which should be given **priority**.

The Emergency Committee is being called to make the decision to adopt the Brentwood Discretionary Scheme. There is an urgency to award the grants as soon as possible. The expectation is that they will be paid out early June. If the adoption of a scheme is not approved promptly, this could delay vital and necessary income being received by businesses of the Borough of Brentwood.

The Committee is being asked to delegate authority to the Section 151 Officer to administer the Brentwood's Discretionary Business Grant Scheme and to make technical adjustments if necessary.

### Recommendation(s)

**Members are asked to:**

**R1. To approve the Discretionary Business Grant Scheme attached as Appendix A.**

**R1. The committee delegates authority to the Director of Corporate Resources (Section 151 Officer), in consultation with the Leader, to administer the Brentwood's Discretionary Business Grant Scheme and is authorised to make technical scheme amendments in line with Government guidance.**

## Main Report

### **Introduction and Background**

1. The Secretary of State for Business, Energy & Industrial Strategy (BEIS) announced on 1st May 2020, outlined in detailed guidance on 13th May 2020, a scheme that is aimed to support businesses that were not eligible for either of the two previous Small Business Grant Fund or the Retail, Leisure and Hospitality Fund, as part of the Government's response to Covid-19. Further guidance was issued on 22<sup>nd</sup> May which allowed businesses eligible for a grant from the self employment income support (SEISS) to also be eligible for the new scheme.
2. Central Government has provided the Council with a sum of approximately £0.900m, which represents 5% of the original allocation for the Small Business Grant Fund or the Retail, Leisure and Hospitality Fund Grants.
3. Central Government, whilst wanting Council's to exercise their local knowledge and discretion, have set national criteria for the funds. In all cases, the Council will only consider businesses for a Discretionary Business Grant where all of the criteria are met, as set out in **Appendix A**. Any business failing to meet the criteria, will not be awarded a Discretionary Business Grant.
4. Government are asking Council's to prioritise types of businesses for grants from within the discretionary fund, as set out in **Appendix A**. The list included is not exhaustive but is intended to guide Councils. The Council will accept applications from other businesses who are suffering a fall in income due to the COVID-19 crisis. The Council will look to award businesses who meet the national priorities first and any residual funds will be awarded on a discretionary basis.
5. Government recognised that local authorities would need to run some form of application process. However there is also expectation that payments from the discretionary scheme should be paid out as early as possible and ideally early June. If the adoption of a scheme is not approved promptly, this could delay vital and necessary income being received by businesses of the Borough of Brentwood.
6. The funding level is finite and therefore, the Council, although keen to ensure that grants are given to the maximum number of businesses, is conscious that its expenditure cannot exceed the amount of allocated government funding. In order to fairly administer the scheme, the Council has decided that awards will be determined by holding an application window, between 26<sup>th</sup> May 2020 and 7<sup>th</sup>

June 2020. Any business wishing to claim will complete a form on the Council's website and once the application window period is closed, all awards will be considered against the criteria set out within the scheme. The Council is promoting this scheme through social media channels, the Brentwood Business Partnership and by proactively contacting all businesses that we are aware of that could be eligible to apply.

7. Officers of the Council will administer the scheme, however as part of this report it is recommended that it be agreed the Section 151 Officer is authorised to make technical scheme amendments to ensure that the scheme meets the criteria set by the Council and, in line with Central Government guidance.
8. The scheme also sets out an internal review process if applicants are aggrieved with decisions, with reviews being carried out by independent senior managers and with the Section 151 Officer.

#### Main Points of Scheme

9. Government has stated that the intention of the scheme is to provide assistance to businesses that meet the following **criteria**:
  - Small and micro businesses
  - 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
  - Businesses must have been trading on 11<sup>th</sup> March 2020
  - Have not received various other Grant funding listed in Appendix A
10. Government have asked Council's to **prioritise** the following types of businesses for their discretionary Fund:
  - Small businesses in shared offices or other flexible workspaces
  - Regular market traders who do not have their own business rates assessment
  - Bed & Breakfasts premises which pay Council Tax Instead of business rates.
  - Charity properties which would otherwise have been eligible for small business relief.
11. The Council will look to award businesses who meet the national priorities first and then any residual funds will be awarded on a discretionary basis to other businesses that meet the eligible criteria.

12. The full details of the scheme is included within **Appendix A**.

### **Reasons for Recommendation**

To allow the Council to have a Discretionary Business Grant Scheme in place.

### **Consultation**

None

### **References to Corporate Plan**

This report reflects all areas of the Corporate Plan.

### **Implications**

#### **Financial Implications**

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There are no significant implications on the Council's Medium Term Financial Strategy (MTFS). Central Government has provided the Council with a grant fund of approximately £0.900m and grant awards will be limited to this amount.

There is an urgency to award the grants as soon as possible. The expectation is that they will be paid out early June. If the adoption of a scheme is not approved promptly, this could delay vital and necessary income being received by businesses of the Borough of Brentwood.

#### **Legal Implications**

**Name & Title: Amanda Julian, Director of Law & Governance & Monitoring Officer**

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The General Power of Competence was introduced by the Localism Act 2011 and came into force in February 2019. It gives the Council the power to do anything an individual can do unless prohibited by law. The Council can rely on this power to administer the grants.

The Emergency Committee is being called to make the decision to adopt the Brentwood Discretionary Scheme Policy. The Government introduced a discretionary business relief scheme which needs to be administered in early June, in order for officers to do this they need to have the delegated authority to administer the scheme.

## **Economic Implications**

**Name/Title: Phil Drane, Director of Planning & Economy**

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The economic impact of COVID-19 is unprecedented. Significant levels of support have been put in place to maintain the borough's economy. The Discretionary Business Grant Scheme is a potentially vital source of financial support for those businesses who were not eligible for either of the two previous grant funds (Small Business Grant Fund, and Retail, Hospitality and Leisure Grant Fund). The funds are for small and micro businesses who have ongoing fixed commercial property-related costs. Informed by Government guidance, the Council should prioritise support for businesses that fall into categories specified in **Appendix A**.

## **Appendices to this report**

Appendix A – Discretionary Business Grant Scheme.