

URGENT REPORT TO THE CHIEF EXECUTIVE



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PORTFOLIO	Economy and Growth
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Local Authority Discretionary Business Grant Scheme Proposed Amendments to the Scheme Criteria

PURPOSE

1. The purpose of this report is to request approval to the proposed changes to the Local Authority Discretionary Business Grant scheme criteria as approved on 21st May 2020, subsequently amended 1st June 2020.

RECOMMENDATION

2. It is recommended that the Chief Executive approves using urgency powers (Executive Functions) the following changes to the Local Authority Discretionary Business Grant scheme:
- i) The raising of the Rateable Value threshold from £51k to £100K within the local discretionary element of the Burnley Discretionary Grant Scheme,
 - ii) Within the Businesses in shared offices, workspaces and premises element of the scheme to an increase in the eligible number of monthly rental payments from 3 months to 4 months for businesses who were unable to re-open on either 1st of June or 15th June.
 - iii) The removal of the right of appeal set out in the criteria in respect of any new applications on the basis that the scheme is being closed.
 - iv) That call-in be waived to allow the revised scheme to become operational immediately due to the imminent deadline for scheme closure.

REASONS FOR RECOMMENDATION

3. A letter received from the Secretary of State dated 23rd July 2020 setting out that all three grant schemes, Small Business Grant, Retail, Hospitality & Leisure and Discretionary Grant Scheme are to close by Friday 28th August 2020. Applications will be dealt with on a first come first served basis and if the remaining funding is allocated prior to the 28th August then the schemes will close.
4. £708,638 of the Discretionary allocation remains and we wish to support as many businesses as possible before the scheme closes.

KEY POINTS

5. Based on the government allocation of £1,215,000 the scheme criteria were developed following a check against potentially eligible businesses: -
- 94 businesses were identified that had a rateable value of between £15,000 and £51,000, and subject to meeting other criteria and providing a business case would be eligible for the local discretionary element of the discretionary grant scheme.
 - A list was compiled of charitable organisations that are in receipt of charitable relief and were not eligible for a Small Business Grant.
 - Based on our local knowledge we estimated that there were 5 potentially eligible B&B's and one boat hire business.
 - Businesses in shared offices and workplaces. Most managed offices spaces in the borough have separately rated spaces and it wasn't envisaged that any significant number of applications would be received under this category.
6. Following the discretionary grant scheme going live, the scheme has been promoted in the media and on social media. In addition, those businesses identified above have all been contacted either by email, letter or phone calls and advised that they may be eligible to benefit from the scheme.
7. In total 129 applications have been received of which 67 were ineligible and 62 eligible. £391,287 of the funding has been paid to businesses with £115,075 in the process and yet to be paid. This leaves £708,638 of the £1,215,000 allocation remaining.
8. Given that there is now a firm date for the scheme to be closed and that there is capacity within the remaining allocation it is proposed to widen the scheme and support more businesses that will have been affected by COVID 19. Set out in the Local Authority Discretionary Grant Fund – Frequently Asked Questions (FAQs) Paragraph 17 a question had been asked '*is there still an absolute rateable value limit of £51,000 for businesses receiving this fund?*' with the response given '*This fund is primarily and predominantly directed to small and micro businesses. However, Local Authorities have discretion to determine who else is eligible to receive funding through their schemes*'.
9. It is therefore being proposed to expand the rateable value to businesses that have an RV of between £51k and £100K. These businesses will also need to satisfy the mandatory criteria set out in paragraph 44 of the Government Guidance on the scheme. A press release and social media posts will promote the changes to the criteria, and we will directly contact potentially eligible businesses. A copy of the revised scheme criteria set out in Appendix 1.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

10. The cost of the grants will be met from the additional funding of £1,215,000 allocated by

the Government on 2nd May 2020.

POLICY IMPLICATIONS

11. The decision supports the Council's strategic priorities for economy and growth

DETAILS OF CONSULTATION

12. Kate Ingram – Strategic Head of Economy & Growth
Howard Hamilton-Smith – Finance Manager
Executive Member for Economy & Growth

BACKGROUND PAPERS

- 13.

FURTHER INFORMATION

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