

Report to the Leader of the Council

Subject Business Support Grants - Small Business Grant Fund and Retail, Hospitality and Leisure Grant Fund

Date 31 March 2020

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Wards Affected

All

Purpose

The purpose of this report is:

- 1) To seek approval to implement the Small Business Grant Fund and the Retail, Hospitality and Leisure Grant Fund in accordance with the latest Government guidance;
- 2) To establish by virement a Business Grants budget of £17.914m to be funded by Government Grant;
- 3) To delegate to the Director responsible for Revenues Services the authority to determine the eligible grants in accordance with the government guidance for the Small Business Grant Fund and the Retail, Hospitality and Leisure Grant Fund in the Borough of Gedling.

Key Decision

This is a key decision as it involves expenditure in excess of £500,000.

Recommendation(s)

To approve:

- 1) **The implementation of the Small Business Grant Fund and the Retail, Hospitality and Leisure Grant Fund in accordance with the latest Government guidance as updated from time to time;**
- 2) **The establishment, by virement, of a Business Grants budget of £17.914m to be funded by Government Grant;**

- 3) That the determination of eligible grants in accordance with the government guidance is delegated to the Director responsible for Revenues Services.**
- 4) That a monthly update report on the progress of this scheme be provided to the Leader and Deputy Leader of the Council**

1 Background

- 1.1 In response to the Coronavirus, Covid-19, the Government announced in the Budget on 11 March 2020 that financial support would be available for small businesses, and businesses in the retail, hospitality and leisure sectors.
- 1.2 The support will take the form of two grant funding schemes, the Small Business Grant Fund (SBGF) and the Retail, Hospitality and Leisure Grant Fund (RHLGF).
- 1.3 The Government has issued guidance to support local authorities in administering the business grant schemes, the latest version of which is attached at Appendix 1. The guidance sets out the criteria which central government considers for this purpose to be eligible for the SBGF and the RHLGF. The latest guidance attached at Appendix 1 is Version 3 of the Grant Funding Schemes, which may be subject to further clarification changes by Government requiring further versions to be issued. It is proposed that the schemes are implemented using the latest available version of the guidance as published by the Government.
- 1.4 Under the SBGF all businesses in receipt of Small Business Rates Relief and Rural Rates Relief in the business rates system as at 11 March 2020 will be eligible for a grant of £10,000, subject to the eligibility criteria outlined in the guidance.
- 1.5 Under the RHLGF businesses that would have been eligible for the business rates Expanded Retail Discount Scheme (which covers retail, hospitality and leisure) on 11 March 2020, had that scheme been in force for that date, and with a rateable value of less than £51,000 will be eligible for the following grants per property, subject to the eligibility criteria outlined in the guidance:
 - eligible businesses with a property that has a rateable value of up to £15,000 will receive a grant of £10,000;
 - eligible businesses with a property that has a rateable value of over £15,000 and less than £51,000 will receive a grant of £25,000.
- 1.6 Recipients eligible for the Small Business Grant Fund will not also be eligible for the Retail, Hospitality and Leisure Grant Fund.

- 1.7 The Government intends that Gedling Borough Council should pay the SBGF and RHLGF grants to businesses in accordance with its guidance.

2 Proposal

- 2.1 It is proposed that the Small Business Grant Fund and the Retail, Hospitality and Leisure Grant Fund be implemented in accordance with the latest Government guidance. The latest version of the government guidance is attached at Appendix 1 for information.
- 2.2 It is proposed that the Leader approve the establishment, by virement, of a business grants funds budget of £17.914m to be funded by government grant.
- 2.3 It is proposed that the Leader delegates the authority to determine the eligible grants in accordance with the latest government guidance for the grant funding schemes to the Director responsible for Revenues Services.

3 Alternative Options

- 3.1 An alternative to the proposal would be to report each grant case to the Leader for his determination in accordance with the guidance. Currently this would mean that the Leader would have to consider approximately 1320 applications. This would place an unnecessary burden on the Executive and may not ensure the timely award of the grants.

4 Financial Implications

- 4.1 Government will fully reimburse local authorities for the cost of grants awarded to eligible businesses under the scheme using a grant under s31 of the Local Government Act 2003. Therefore, the financial implications to the Council are neutral.
- 4.2 The Government has made an initial estimate of the cost of the grants of £17.914m and are providing funding of this amount to the Council on 1 April 2020. The actual cost of the grants will be determined by the number of businesses identified as eligible for a grant in accordance with the government guidance.

5 Appendices

- 5.1 Appendix 1 – Grant Funding Schemes: Small Business Grant Fund and Retail, Hospitality and Leisure Grant Fund Guidance – Version 3

7 Reasons for Recommendations

- 7.1 The Council is expected by Government to award grants in line with the guidance it has published.
- 7.2 To ensure the timely award of the grants, efficient decision making and to avoid the Executive from becoming overwhelmed by applications, it is appropriate that this function is delegated to Officers.