

Lancaster City Council | Report Cover Sheet

Meeting	Cabinet	Date	14 July 2020
Title	Discretionary Grants Scheme		
Report of	Director of Corporate Services		
Purpose of Report			
To consider options for the disbursement of the remainder of the Discretionary Business Grants allocation and to suggest an approach to allocate remaining monies.			
Key Decision (Y/N)	Y	Date of Notice	Special Urgency
			Exempt (Y/N)
			N

Report Summary

The Government allocated £1.68m to Lancaster City Council to disburse to businesses affected by COVID via an adopted Discretionary Grants Scheme. The scheme, which closely followed Government guidance, closed on 30 June with balances remaining. This report considers how these balances might be allocated.

Recommendation of Councillor Tim Hamilton-Cox

1. Cabinet discuss the proposals set out in Appendix A and approve the proposals and corresponding allocations.
2. Cabinet delegate the agreement of the final scheme to the Portfolio Holder for Sustainable Economic Prosperity and the Leader in consultation with the Directors of Economic and Regeneration and Corporate Services.

Relationship to Policy Framework

Conclusion of Impact Assessment(s) where applicable

Climate	Wellbeing & Social Value
Digital	Health & Safety
Equality	Community Safety

The report covers grant funding provided by the Government to provide support to businesses impacted by the COVID crisis. It directly relates to local economic resilience and as such to the Council's Inclusive and Prosperous Local Economy priority.

Details of Consultation

The scheme and these proposals have been subject to extensive and regular consultation with business representatives including Lancaster and Morecambe BIDs, the Chamber of Commerce and the Federation of Small Businesses.

Legal Implications

There are no direct legal implications. The distribution of grant is covered by Government guidance which proposes priority businesses and eligibility criteria but allows Councils discretion based on providing support to any business which is deemed important to the local economy.

Financial Implications

The grant total is £1.68m from the Government. It is important that the Council distributes the full grant having regard to maximising support in an equitable and effective manner.

Other Resource or Risk Implications

No direct implications.	
Section 151 Officer's Comments	
The s151 Officer has contributed has been consulted in the writing of this report.	
Monitoring Officer's Comments	
The Monitoring Officer has provided advice on this report.	
Contact Officer	Dan Bates
Tel	Tel: 01524 582138
Email	dbates@lancaster.gov.uk
Links to Background Papers	
None.	

1.0 Introduction

- 1.1 The report covers options for distributing the remainder of the allocation for the Discretionary Business Grants schemes following the closure of original scheme on 30 June 2020.

2.0 Background

- 2.1 The Discretionary Business Grants scheme business grants scheme was launched by the Government in May 2020 in recognition that some businesses were not eligible for Small Business Grants Scheme and the Retail, Hospitality and Leisure Schemes. Lancaster City was allocated £1.68m.

- 2.2 The Council opened the scheme to applications in early June following Government guidance for the scheme which identified specific priority business types and eligibility criteria as set out below.

Priority Business Types

- small businesses in shared offices or other flexible workspaces, such as units in industrial parks or incubators
- regular market traders
- bed and breakfasts paying council tax instead of business rates
- charity properties getting charitable business rates relief, which are not eligible for small business rates relief or rural rate relief

Eligibility Criteria

- relatively high ongoing fixed property-related costs
- significant fall in income due to COVID
- occupies property (or part of a property) with a rateable value or annual mortgage/rent payments below £51,000
- was trading on 11 March 2020

- 2.3 The application process was open during June and a payment of £2,000 has been made to all eligible businesses. The scheme has been promoted widely through local business representatives including the BIDs and Chamber and via social media.

- 2.4 At the closing of the initial scheme about a quarter of the allocation has been used. In order to distribute the remaining allocations, Cabinet has a number of options which range from providing further grant to those businesses which are already eligible to changing eligibility criteria to admit more types of businesses or a combination of these two.
- 2.5 Appendix A considers a shortlist of options which have been discussed with the Leader and Portfolio Holders for Economic Development and Finance as well as representatives from Lancaster and Morecambe BIDs, the Chambers of Commerce and the Federation of Small Businesses.

3.0 Options and Options Analysis (including risk assessment)

Option 1: Cabinet agree the proposals set out in Appendix A.
Advantages: This will allow for the swift allocation of the remaining grant in a way which maximises its effectiveness and provides support to businesses which are suffering due to the COVID crisis.
Disadvantages: None identified.
Risks: As the funding is limited and the demand for support much greater than the available funding, there remains a risk that some types of businesses will not receive financial support. The options in the report attempt to address this risk as far as this is possible within the limited financial allocations.
Option 2: Do not agree the proposals set out in Appendix A
Advantages: None
Disadvantages: The grant is not allocated and is paid back to Government and businesses do not receive support.
Risks: Compounding of already considerable risk to local economy as businesses struggle due to the COVID crisis.

4.0. Officer Preferred Option (and comments)

- 4.1 The officer preferred option is Option 1. Approval of options will allow the process to be re-opened and grants to be awarded to eligible businesses.
- 4.2 It is recognised that appendix A proposes a number of options and allocations and that Cabinet might want to select some but not all of these options. Accordingly, it is important that any amendment to the proposals following discussion is recorded clearly in the Cabinet decision.
- 4.3 The Chair of Overview and Scrutiny has agreed to waive 'call-in' for any decision made. The Chief Executive is content with the decision to waive 'call-in'.
- 4.4 Special Urgency in accordance with Rule 15 of the Access to Information Rules has been invoked as any delay in decision making in this regard would seriously prejudice the public interest.