

Phase 2: Dacorum Borough Council Local Authority Discretionary Grant Funding Policy

Background

1. The principles adopted by DBC and the supporting rationale was outlined in the Portfolio Holder Decision published on 3 June 2020, approving Phase 1 of the Local Authority Discretionary Grant Fund (LADGF) scheme.
2. Phase 2 of the Scheme continues to target support at small and micro businesses, and represents a broadening of the eligibility criteria to encompass more local businesses. The amount of funding available for Phase 2 of the Scheme will be capped at the amount remaining from the original £1.45m funding pot when Phase 1 closes. The funds will be applied in the priority order outlined in this report.
3. The application process for businesses will remain the same as for Phase 1, and detail will be made available to businesses on the Council's website.
4. On completion of Phase 1 of the Scheme, the remaining funds will be distributed based on the following amendments to the existing Scheme criteria (all other requirements will remain the same).

Priority 1 – broaden eligibility to include businesses with fixed premises costs of £3,000 pa

5. The level of annual fixed premises overhead required to qualify for grant funding will reduce from £7,500 in Phase 1 to £3,000 Phase 2 (for Priority Group 1 only).
6. Businesses in this category will receive a fixed rate grant of £2,000. For those businesses at the lowest point of the qualifying criterion, this amount will support two thirds of one year's premises costs. This matches the proportions for Phase 1 of the Scheme.
7. Funds will be awarded on the same First Come First Served (FCFS) basis as Phase 1 of the Scheme. The Scheme will close when funds are exhausted or on 28 June, whichever is the sooner.
8. In the event that some funds remain after all payments have been made to this group, the award process will move on to Priority 2.

Priority 2 – broaden eligibility to include businesses with a separate Rateable Value of up to £51,000

9. Eligibility for this priority group will be identical to that for Phase 1 of the Scheme, except that it will now include businesses with a Rateable Value of up to £51,000.
10. In line with Phase 1 of the Scheme, these businesses, with a minimum fixed premises overhead cost of £7,500 per annum, will receive a flat rate £5,000 grant.
11. Funds will be awarded on a FCFS basis to be paid from funds remaining after call on Priority 1 funding is exhausted.

12. In the event that some funds remain after all payments have been made to this group, the award process will move on to Priority 3.

Priority 3 – distribute remaining funds among businesses that qualified for Phase 1 of the Scheme

13. Remaining funds to be distributed among those who qualified for Phase 1 of the Scheme which went live on 8 June.
14. Both the businesses selected and the amounts paid within this priority group will be at the Council's discretion, and will be determined based on the amount of funds remaining after applications from Priority Groups 1 and 2 have been fully exhausted.
15. It is not anticipated that there will be significant funds remaining at this stage, and any awards made will be targeted at those businesses with the highest fixed premises overheads. This process will ensure that optimal use can be made of the funds rather than simply dividing the remainder equally, which is likely to result in an ineffectual amount being paid to numerous businesses. Payments will be capped at £10,000 (inclusive of the £5,000 paid in Phase 1).
16. This Decision requests approval to delegate to the three Portfolio Holders named in this report, the decision as to how funds should be allocated within this Priority Group.