

Portfolio Holder decision record sheet

Name of decision makers:	Cllrs Andrew Williams, Graeme Elliot, Graham Sutton
Portfolios:	Community Leadership, Finance & Resources, Planning and Infrastructure
Date of Portfolio Holder decision:	18 June 2020

Title of decision:	Local Authority Discretionary Grant Fund, (LADGF) – COVID-19 Support for Local Businesses. Phase 2
Part II:	No
Part II reason:	

Background to report:

As part of its response to the disruption caused by COVID-19, Central Government has announced funding and outline guidance for the distribution of a Local Authority Discretionary Grant Fund scheme (LADGF). A national fund of £617m has been distributed among local authorities.

Local authorities are responsible for delivering grants to eligible businesses and have discretion over the design and implementation of their local scheme. However, Government has stipulated some national criteria for the scheme, and stated that the fund is aimed at small and micro businesses that are ineligible for the Small Business Grant Fund or the Retail Hospitality and Leisure Grant Fund.

Applications for funding under Phase 1 of the DBC Discretionary Grant Fund were invited for a two-week period from 8 June 2020. In line with the original Portfolio Holder Decision published on 3 June, (<http://www.dacorum.gov.uk/home/council-democracy/portfolio-holder-decisions/decisions-2020>) a second phase of funding is now proposed to award the remaining funds.

Decision made and reasons:

To formally approve the adoption of Phase 2 of the Discretionary Grant Funding Scheme based on the principles and criteria detailed within the body of this report.

Approval is sought through PH Decision in order to expedite decision-making and ensure that payments can be made to eligible businesses as quickly as possible.

Authority to make decisions of this type has been delegated to Portfolio Holders by Cabinet decision CA/78/17.

Reports considered: (here reference can be made to specific documents)

Portfolio Holder Decision for Phase 1 of the LADGF (3 June).

<http://www.dacorum.gov.uk/home/council-democracy/portfolio-holder-decisions/decisions-2020>

Local Authority Discretionary Grants Fund – Guidance for Local Authorities.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/887310/local-authority-discretionary-fund-la-guidance-v2.pdf

Officers/Councillors/Ward Councillors/Stakeholders consulted:

Cabinet

Chief Officer Group

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Assistant Director (Finance & Resources)
Assistant Director (Planning, Development and Regeneration)
Group Manager (Revenues, Benefits & Fraud)
Group Manager (Financial Services)
Group Manager (Strategic Planning and Regeneration)

Monitoring Officer comments: This decision is being approved as an urgent decision without giving the usual 28 days' notice. In accordance with the Access to Information Regulations the Chair of the Finance and Resources Overview and Scrutiny Committee has agreed that this is an urgent decision and can proceed.

Chief Finance Officer comments: This scheme is funded through BEIS grants and the council's administration costs will be met from new burdens allocations.

Implications: The Council is seeking to provide meaningful assistance to as many small and micro businesses as possible across the borough.

Risk: If the Council does not adopt the scheme the consequent delay in making award payments will increase the risk of businesses within the borough ceasing to trade.

Value for money: There is no net cost to the Council to introduce the scheme.

Options considered and reasons for rejection:

The rationale behind the proposed approach for all discretionary elements of the scheme is covered in detail within the body of this report and that accompanying the Decision Sheet for Phase 1 of the Scheme.

Portfolio Holders signatures:

Date:

Details of any interests declared and any dispensations given by the Standards Committee:

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Date decision record sheet received from portfolio holder: 19/06/20

Date decision published: 19/06/20

Decision no: PH-010-20

Date of expiry of call-in period: N/A

Date any call-in received or decision implemented:

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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.

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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.

Conclusion

17. This steps identified for Phase 2 of the Scheme will fully utilise the amount of funding available. Analysis of the final distribution of the total funding pot of £1.45m will be reported to Members as part of a future Covid-19 update to Cabinet.