

# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive Member for Policy and Resources for Decision 07 September 2020

<b>Portfolio:</b>	Policy and Resources
<b>Subject:</b>	<b>Local Authority Discretionary Grant Scheme</b>
<b>Report of:</b>	Deputy Chief Executive Officer
<b>Corporate Priorities:</b>	Maintain and Extend Prosperity A dynamic, prudent and progressive Council

**Purpose:**

To agree minor changes to the Local Authority Discretionary Grant Fund Scheme for Fareham Borough Council.

**Executive summary:**

On 2<sup>nd</sup> June 2020, the Executive Member for Policy and Resources approved a local scheme for the award of grants to businesses, as part of a wider support package announced by Government for businesses struggling with the impact of the COVID-19 pandemic.

On the 6<sup>th</sup> July, the Executive noted that £822,500 had been awarded to 132 businesses under the first round of applications and agreed to reopen the scheme for a second round of bids.

The scheme closed for all applications on 28<sup>th</sup> August, and grants in excess of £100k are likely to be awarded under the second application round (subject to the necessary due diligence checks being successful).

When the scheme was devised, the bands for grant awards were set at a suitably cautious level to ensure that the funding would not be oversubscribed. Having received all applications, it is now clear that there is scope to amend the bands, so that eligible local businesses receive as much support as the Council is able to offer.

Taking account of the available funding, it is proposed that the grant bands are increased, to utilise the balance of funding for the Scheme, with a fixed supplementary amount being paid to all businesses that met the scheme criteria and who received a grant in the first three bands (£2,500, £5,000 and £7,500). In line with Government guidance, it is not possible to increase the £10,000 grant band by

a small margin, as the guidance dictates that Local Authorities only have discretion to set grant awards below £10,000 or award a fixed amount of £25,000. There is no discretion to award a grant between £10,000 and £25,000.

The proposal would increase the grant in each of these bands by approximately £1,200, as shown below :-

<b>Band</b>	<b>Fixed Monthly Overheads</b>	<b>Initial Grant</b>	<b>Revised Grant (estimate)*</b>
1	£750 or below	£2,500	£3,700
2	£751 to 1,500	£5,000	£6,200
3	£1,501 to £2,500	£7,500	£8,700
4	£2,501 or above	£10,000	£10,000

\* Subject to change depending on actual number of eligible applicants after Round 1 and 2.

These changes would result in further support being given to approximately 70 local businesses.

Additionally, the second application round has resulted in a further 51 businesses applying and approximately half are eligible for a grant. A small number of these businesses are entitled to a £10,000 grant and in order to ensure these are paid before the Government's payment deadline in September, authority is sought for the Deputy Chief Executive Officer to determine all round 2 grant awards, following consultation with the Executive Member for Policy and Resources.

#### **Recommendations:**

It is recommended that the Executive Member for Policy and Resources:

- (a) agrees that the Discretionary Grant scheme is revised to allow for Bands 1-3 to be increased in order to maximise use of the Grant Funding;
- (b) delegates authority to the Deputy Chief Executive Officer to determine the actual supplementary payment for Bands 1-3, once all due diligence for applications in Round 2 has been concluded; and
- (c) delegates authority to the Deputy Chief Executive to determine grants of up to £10,000 in accordance with the agreed scheme and following consultation with the Executive Member for Policy and Resources.

#### **Reason:**

To enable the Council to maximise support to applicants under the discretionary grant scheme, in accordance with Government guidance.

#### **Cost of proposals:**

The revision would result in estimated expenditure of £80,000, which is fully funded through a government grant of £1,019,000.

**Background papers:** File of applications and supporting evidence

**Reference papers:** Report to the Executive Member for Policy and Resources for Decision, “Discretionary Business Grant Scheme”, on 02 June 2020

Report to the Executive for decision, “Local Authority Discretionary Grant Awards” on 6<sup>th</sup> July

**Enquiries:**

For further information on this report please contact Elaine Hammell, Head of Finance and Audit. (Ext 4344)