



TITLE OF CONSULTATION: LOCAL AUTHORITY DISCRETIONARY GRANT SCHEME

OFFICER REQUESTING: PHILLIP SPURR, PROGRAMME DIRECTOR,
ECONOMIC DEVELOPMENT, BUSINESS AND PARTNERSHIPS

1.0 PURPOSE

1.1 To outline the process and gain agreement for the criteria for the distribution of funds under the Local Authority Discretionary Grants Scheme (DGS) so that it can be launched on 8 June 2020. £1,125,500 of funding has been allocated to Ryedale.

2.0 RECOMMENDATION(S)

2.1 That the process outlined at paragraph 3.2 is noted.

2.2 That the proposed eligibility criteria, based upon Government guidance, (as set out in the appended Discretionary Business Grant Scheme policy), is approved:

“Any business which meets all four of the following criteria, with the exception of mobile businesses due to their lack of fixed commercial property and relatively low overheads, will be eligible”:

- Small and micro businesses, as defined in Section 33 Part 2 of the Small Business, Enterprise and Employment Act 2015 and the Companies Act 2006.
- Businesses with fixed commercial property related costs. Fixed property related costs are considered to be outgoings which include, but are not limited to, rent or mortgage payments, utilities, insurance and phone/broadband.
- Businesses which have suffered a significant income reduction in the period March–May 2020 compared to the period March–May 2019.
- Businesses which occupy property, or part of a property, with a rateable value or annual rent or annual mortgage payments below £51,000.

2.3 That the following proposed funding levels are endorsed:

- Between £1,000 and up to £10,000, with the amount to be determined after the two-week application process has closed
- £25,000 in exceptional cases where, the business has high property costs and the failure of the business would have a significant impact on the economy of the District. (Officer discretion will be used to judge these instances on a case by case basis.)

2.4 That the costs of administering the fund as outlined at paragraph 5.1(a) are noted.

3.0 REASON FOR RECOMMENDATION(S)

3.1 RDC will receive DGS funding from central government and is required to allocate the funding in line with guidance to support local businesses and the Ryedale economy.

3.2 The process to allocate the funding will be as follows:

- Application window of 2 weeks opening on 8th June and closing at midnight on 21st June.
- Applications will be processed and checked for eligibility as they are received during the two week window, but no decisions or payments will be made until the window has closed and the number of grant applications are known. Exact grant values will then be determined and payments issued.
- One payment run will be made per week, but the allocation process may take some weeks to complete depending on the volume of applications received. It is anticipated, however, that the end date for payments will be the end of July.
- Assessment and administering of grants will involve a range of Council staff, including Economic Development, Finance and Revenues to support the front and back end of the process and facilitate the link into CIVICA and Northgate IT systems. It is anticipated that the necessary work will place significant demands on these teams. It is expected that the Economic Development Team will be fully occupied on processing work for at least a month meaning that most of the team's other work will be put on hold.
- At the conclusion of the assessment process each applicant will receive a letter either confirming they have been successful and the value of the grant given, or explaining why they have been unsuccessful.
- A grant appeals process is in place and the process will be made publically available.

3.3 The intention is to assess the number of applications at the end of the application window period and then allocate funding accordingly to maximise support for Ryedale businesses. This approach is proposed as it is not known how many applications will be received for the limited level of grant funding.

3.4 10% of allocated funding will be set aside in the first instance in case appeals are received and subsequent payments need to be made. It must be stressed that all funding will be spent and allocated as quickly as possible.

3.5 It should be noted that mobile businesses have specifically been excluded as it is considered that they have no commercial space from which they operate and therefore no fixed costs directly associated with property and very few overhead costs. This does not refer to market traders, who will be eligible to apply for this funding.

4.0 SIGNIFICANT RISKS

4.1 There are significant pressures to ensure these funds are distributed in a timely manner, and in a way that will see the Council supporting as many businesses as possible in the most appropriate way. Unfortunately, the level of funding available is limited, and the criteria are restrictive. This means it will not be possible to support to every business in Ryedale.

4.2 Public perception and business expectation levels are high. A clear, consistent and fair grant administration process will be put in place. Clear communication will be required to ensure that expectations are managed. A coordinated communications plan to provide these messages will help to mitigate against any negative press or

social media comments.

- 4.3 Businesses with a rateable value of over £51,000 have already requested assistance through this scheme under the discretionary element. As they will not be eligible, a separate Decision Notice will be prepared and submitted to consider what support the council may be able to offer to such businesses. At minimum, the Decision Notice will recommend lobbying Government to seek additional funding for this purpose.
- 4.4 In developing the proposals set out above, a number of North Yorkshire-wide meetings have been attended, and a number of individual conversations with colleagues from other North Yorkshire District and Borough Councils have taken place. Officers are confident that RDC's proposals strategically align with those of our neighbouring authorities, while meeting the needs of Ryedale's economy.
- 4.5 As the Revenues Service has just returned to Ryedale from Scarborough, with staffing gaps and a workload backlog, it is necessary to secure additional expertise in this area to ensure these grants are administered effectively and efficiently.

5.0 IMPLICATIONS

5.1 The following implications have been identified:

a) Financial

The Finance team have confirmed that funding for the scheme is being provided by central government with the expectation that Local Authorities manage allocations within the funding given. Any overspends would have to be met by RDC. The scheme has therefore been designed to enable the Council to receive all applications before confirming final awarded grant values to businesses. A contingency sum of 10% is being held for appeals, though it should be stressed that all available funds will be allocated to Ryedale businesses as quickly as possible. There will also be no additional cost to RDC for Victoria Forms to create the application form as this is covered under our existing subscription arrangements with them. Other costs relate to the deployment of existing staffing, communications, the production of the Discretionary Grant Scheme policy, and the cost of additional Revenues expertise. These costs will be met from the £580k received from Government for COVID management and are currently being finalised.

b) Legal

The State Aid Regulations grants will be considered in detail during the two week application window to ensure we are compliant with EU Regulations.

c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental and Climate Change, Crime & Disorder)

Staffing resources from across the Council will be dedicated to administering the grants throughout the application assessment, determination and grant offer process. It is anticipated that this will be required for a four week period.

6.0 MONITORING OFFICER ADVICE

As this is a policy matter relating to who is eligible for the grants and what level of funding will be provided, this falls within the remit of the Policy and Resources Committee and consultation is therefore required with the Leader of Council.

7.0 CONSULTATION RECORD

According to the Constitution, under urgency powers, decisions usually taken by the Council and its committees are taken by the CEO following consultation with the appropriate elected members.

The appropriate elected members are:

- The Leader of the Council
- The Chair of the appropriate committee, for matters relating to that specific committee¹
- Relevant Ward member(s), if any, for matters of particular relevance to that ward²

| | |
|---|---------------------------------|
| Name of consultee | Cllr Duncan – Leader of Council |
| The policy is agreed, with note taken of the officer recommendation that government guidelines should be followed when awarding grant money. Further consideration should be given by officers to how RDC can support those businesses outside of the criteria who are facing problems. | |
| Date consultation completed | 08-06-20 |

8.0 DECISION

| | |
|---|-----------------------------------|
| Decision of the CEO based on consultation | The recommendations are approved. |
| Date | 10-06-20 |

¹ “Chairman of the appropriate Committee” refers to committee specific matters and does not mean that all Committee Chairs will be consulted on everything

² “Relevant Ward Member(s), if any” refers to ward specific matters and does not mean that all Members will be consulted on everything