

MINUTES OF MEETING URGENT DECISIONS HELD ON FRIDAY, 12TH JUNE, 2020, 9.00AM

PRESENT:

Councillors: Gideon Bull – Cabinet Member for Local Investment and Economic Growth

ALSO ATTENDING: Peter O'Brien, Diane Southam, Ayshe Simsek

33. APOLOGIES FOR ABSENCE

There were no apologies for absence.

34. DECLARATIONS OF INTEREST

There were no declarations of interest.

35. COVID-19 DISCRETIONARY GRANTS FUND SCHEME

It was noted that the government had announced a range of financial support packages in response to the economic impact COVID-19. This included the Small Business Grant and the Retail, Hospitality and Leisure Grant funds which are providing support to over 3,000 Haringey businesses.

However, a significant number of businesses were ineligible for support based on the criteria set out by the Government for these two schemes. Following lobbying by the Council and other local authorities, a Discretionary Grants Fund Scheme was announced by the Government on the 1st May 2020.

The Cabinet Member for Local Investment and Economic Growth considered the attached report which provided details of the guidance issued to local authorities (sections 5-9) and made recommendations on the eligibility criteria and grant levels to be awarded (sections 10-15).

The Cabinet Member placed on record his thanks to the Chair of Overview and Scrutiny for agreeing to this decision being taken forward under special urgency. The Chair of Overview and Scrutiny had recognised the need for businesses to urgently access this funding and made this decision according to the current Covid 19 situation. The Cabinet Member had further facilitated a briefing session to allow members to comment on the proposed eligibility criteria. There had been good engagement in this session with a follow up briefing note provided to comments and questions put forward.

The Cabinet Member was glad that the Council were able to receive £3.153m of government funding and make this funding package available for allocation, although it was noted that this was insufficient funding to be able to provide support to all

businesses that were ineligible for the initial two schemes. He referred to the business areas which could access the scheme, highlighting charity properties and nurseries.

The Council is focused on providing as much wide ranging support as possible but with a focus on business areas that provide social and community value to the local economy as well as targeting small and micro businesses not eligible to support from the initial two schemes. For example, nurseries, in particular, met this requirement in view of their support to residents and the local economy by enabling them to return to work and the wider social value including outreach work in the community.

It was noted that smaller Park Café businesses, with a rateable value of less than £51k, may be able to potentially access the voluntary sector community support fund which would be considered at Cabinet on the 16th of June. This would be a funding scheme to access for support with operational costs and critical support, aimed at the voluntary community organisations in the borough.

The Cabinet Member highlighted the level of funding received by the Council in comparison to the potential demand for funding. He commented that there were 288 businesses with a rateable value of above 51K and to provide support to all of them would cost the Council around £6m, much less than the funding allocation received. The Council would continue to lobby the government for increased funding and would also be striving to distribute the funding received to eligible businesses as soon as possible.

The Cabinet Member thanked officers for their work in compiling the scheme and:

RESOLVED

1. To approve the Haringey Discretionary Grant Scheme as described in this report and appendices.
2. To delegate authority to the Director of Housing, Regeneration and Planning in consultation with the Cabinet Member for Local Investment and Economic Growth decisions to agree the criteria for the disbursement of any residual funds after the scheme has been fully applied.

Reasons for decision

COVID-19 is having a significant impact on both local businesses and the local economy.

The Discretionary Grants Fund Scheme will enable the council to support some businesses who were not eligible for a grant under the previous two schemes.

The guidance issued by the government identifies its priorities for which businesses should be supported but allows for local authorities to design their own scheme within the constraints of the mandatory criteria set out in the guidance.

Haringey Council is committed to Community Wealth Building. In the Borough Plan we have stated that we want to build the strength, depth and wealth of our local economy to support our businesses and residents to thrive. Community Wealth Building will be

key element in supporting our businesses to recover from COVID-19. The Haringey local scheme will support many small and micro businesses, who lie at the heart of our economy, includes a number of charities, and specifically includes many of our nurseries who play such an important role in supporting the social, community and economic fabric of our borough.

Alternative options considered

The proposals set out in this report are considered to be the most effective overall scheme taking into account the sum allocated to the council, the criteria set by the Government, and reflecting the council's intelligence on local circumstances.

A number of alternative models have been considered and the council is aware of a range of scheme designs being progressed by other boroughs.

Option 1: first come first served – advocated by a number of boroughs where the sum allocated cannot possibly cover the potential number of businesses. In Haringey's circumstances, it is felt that the scheme could be designed in a manner which would provide a reasonable grant level to eligible applicants. Option 1 would have left a large number of potentially eligible businesses being refused once the scheme had been exhausted.

Option 2: points based approach – this approach was felt to be administratively cumbersome and time-consuming and would lead to long processing times. Given the financial situation of many Haringey businesses, speed was felt to be of the essence and hence administrative simplicity is favoured.

CHAIR: Cllr Gideon Bull

Signed by Chair

Date

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