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### EXECUTIVE DECISION RECORD

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| <b>A1</b> Service Area                    | Revenues, Benefits & Customer Contacts   |
| <b>A2</b> Title                           | Local Authority Discretionary Grant Fund scheme review   |
| <b>A3</b> Decision Taken By               | Leader/Chief Executive/Chief Officer   |
| <b>A4</b> Chief Executive / Chief Officer | Please print name: Sal Khan<br>Please sign names: <a href="#">Approved by email 060820</a>         |
| <b>A5</b> Leader / Deputy Leader          | Please print name: Cllr D Goodfellow<br>Please sign name: <a href="#">Approved by email 050820</a> |
| <b>A6</b> Date of Decision                | [ 6 <sup>th</sup> August 2020 ]  |

### Confidentiality

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| <b>A7</b> Is this Decision confidential by containing exempt information as described in Schedule 12A of the Local Government Act 1972? | No            |
| <b>A7.1</b> If yes, please state relevant paragraph from Schedule 12A LGA 1972.   | Paragraph [ ] |

### Scrutiny

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| <b>A8</b> Which Scrutiny Committee should this decision be submitted to?           | (Please tick as appropriate) ✓      |
| Scrutiny (Audit & Value for Money Council Services) Committee                      | <input type="checkbox"/>            |
| Scrutiny (Community Regeneration, Environment and Health and Well Being) Committee | <input checked="" type="checkbox"/> |

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| <b>B1</b> What is the Decision? | To approve the recommendations shown in paragraph B2, following a review of the applications received from the implementation of the Council's Local Authority Discretionary Grant scheme. |
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**B2** What are the reasons for the Decision?

The Government announced a discretionary scheme on 2<sup>nd</sup> May 2020, to enable Local Authorities to primarily support local small and micro businesses who don't pay business rates but have been significantly affected by the COVID-19 pandemic.

Guidance for the scheme was issued on 13<sup>th</sup> May 2020 and identified which types of businesses local authorities are expected to support, and the criteria successful applicants have to meet. The Council was allocated £1,199,250 funding for this scheme.

The Council decided to implement a scheme that focused on the criteria set out by the Government in its guidance:

- Small/micro businesses (as defined in Government guidance) in shared offices/workspaces that don't have their own business rates assessments;
- Regular Market Traders who do not have their own business rates assessment;
- Bed & Breakfast businesses that pay Council Tax instead of business rates;
- Charities that get Charitable Relief instead of Small Business Rate Relief or Rural Rate Relief.
- With high fixed property-related costs
- That can demonstrate they have suffered a significant fall in income due to COVID-19
- Occupy a property or part of a property with a rateable value/annual mortgage/rent below £51k
- Must be trading on 11 March 2020 (so companies in administration or insolvent at that date are not included)
- In compliance with State Aid rules

The Council also agreed to award a flat rate grant of £5,000 to businesses in East Staffordshire that successfully applied for the grant, having met all the relevant criteria. The Council anticipated that it would be able to support 239 East Staffordshire businesses.

The Council's scheme opened for applications from 27/05/ 2020 to 07/06/2020. During that period 109 applications for the grant were received and 26 were successful.

A review of the scheme was undertaken due to the level of unspent funding. It was decided to open a second application window, continuing to accept applications from businesses who met the criteria of the scheme

under the first window but extended the criteria to accept applications from businesses with a business rates assessment where the rateable value does not exceed £51,000. The level of grant payment was increased to £10,000 per successful applicant under the Council's scheme, including those successful applicants from the first application window.

The second application window opened for applications between 24/06/2020 and 12/07/2020. During that period, 153 applications were received and as at 29/07/2020 a further 47 applications have been awarded a grant which brings the total successful grant payments to 73 and £730,000. A further 19 applications are pending payment approval, with those payments due to be issued on 31/07/2020. This will bring the total grants paid to 92 and £920,000 and leaves £279,250 in unspent funding (27 available grants).

A second review has been conducted and four options considered:

- **Option 1** - Contact the 19 applicants whose application has been refused due to insufficient evidence.
- **Option 2** – increase the grant payment to all successful applicants.
- **Option 3** - re-open an application window for those businesses who we contacted but didn't apply in tranche 2.
- **Option 4** - extend the criteria of the scheme further by increasing the £51,000 rateable value threshold for small business with a business rates assessment

It has been decided that option 2 does not comply with the Government's guidance as the next level of grant payment above £10,000 is £25,000 and there is no discretion to pay any amount between £10,000 and £25,000. The Council does not have enough funding under this scheme to pay a further £15,000 to the (current) 92 successful applicants, so this option is rejected.

It has been decided that a third application window be opened for 7 days from Monday 3<sup>rd</sup> August 2020. This application will be open to those businesses which match the criteria in the first and second windows, and will also be open to businesses with a rates assessment where the rateable value does not exceed £75,000. A

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|  | <p>further 38 businesses could potentially be eligible to apply for a Discretionary Grant payment.</p> <p>Recommendations:</p> <p>That the Council extend its scheme criteria to the following business types:</p> <ol style="list-style-type: none"> <li>1) Small / micro businesses (as defined in the Government guidance) that do not have a business rates assessment where their fixed property costs do not exceed £51,000.</li> <li>2) Small/micro businesses (as defined in the Government guidance) who do have a business rates assessment, have a rateable value between £15,000 and £75,000, and are not eligible for the Small Business grant or the Retail, Hospitality &amp; Leisure grant.</li> <li>3) Continue to accept applications from businesses that meet the four business type criteria under the first and second application windows.</li> </ol> <p>This third short window for applications of seven days will again see applications received in that window processed on a first come, first served basis. Any applicants that do not provide full evidence and information to support their application will face a delay in their application being processed.</p> <p>The Department for Business, Energy and Industrial Strategy (BEIS) has issued a notice to all Local Authorities that the final date for grant payments to be made is 28<sup>th</sup> August 2020. Any unspent funding at that point will be payable back to BEIS.</p> <p>Once the funding has been spent, no further grant awards will be made unless Government gives permission and further funding for the Council to do so.</p> <p>There is no right of appeal against the Council's decision to refuse a grant, other than via Judicial Review. However, it has been agreed that where an applicant disagrees with the Council's decision to refuse a grant, a review of that decision will be conducted by the Shared Service Centre Manager/Revenues Team Leader. Their decision will be final.</p> |
| <p><b>B3</b> What are the contributions to Corporate Priorities?</p> | <p>As this scheme is discretionary and the Council has a finite amount of funding available to support businesses within the scope of the scheme, it contributes to the priority 'Community Regeneration'.</p>  |

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| <p><b>B4</b> What are the Human Rights considerations?</p> | <p>There are no Human Rights issues arising from this decision.</p> |
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### Financial Implications

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| <p><b>B5</b> What are the financial implications?</p> | <p>The main financial issues arising from this decision are as follows:</p> <p><b><u>Revenue Implications</u></b><br/> The estimated funding allocation (which is based on 5% uplift of hereditaments in scope of Small Business and Retail, Hospitality &amp; Leisure Grant funding as at 4<sup>th</sup> May) amounts to £1,199,250. The scheme is funded by the Government under Section 31 of the Local Government Finance Act 2003. Grant payments to date amount to £730,000, with a further £192,000 awaiting approval for payment.</p> <p>There is a finite amount of funding available to the Council. Amendments to the scheme will provide wider access the grant funding and an increased level of grant for successful applicants. This will enable the Council to support 119 businesses in East Staffordshire</p> |
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| <p>The finance section has been approved by the following member of the Financial Management Unit:</p> | <p>Please print name: Lisa Turner</p> <p>Please sign name: <a href="#">Approval by email</a><br/>030820</p> |
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### Policy Framework

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| <b>B6</b> Is the Decision wholly in accordance with the Council's policy framework?         | Yes |
| <b>B6.1</b> If No, does it fall within the urgency provisions (Part 3 of the Constitution)? | NA  |
| <b>B6.2</b> Has it got the appropriate approvals under those provisions?                    | NA  |
| <b>B7</b> Is the Decision wholly in accordance with the Council's budget?                   | Yes |
| <b>B7.1</b> If No, does it fall within the urgency provisions (Part 3 of the Constitution)? | NA  |
| <b>B7.2</b> Has it got the appropriate approvals under those provisions?                    | NA  |

## Equalities Implications

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| <b>B8</b> What are the Equalities implications:   |
| <b>B8.1</b> Positive (Opportunities/Benefits):<br>The Council is able to support more businesses in East Staffordshire who are not able to apply for any other grant funding.   |
| <b>B8.2</b> Negative (Threats):<br>The funding is finite and limited numbers of businesses will have a successful application.<br>The third application window could be over-subscribed and the Council will not be able to award a grant where the funding has been fully spent. |
| <b>B8.3</b> The subject of this decision is a policy, strategy, function or service that is new or being revised. An equality impact assessment is being completed.   |
| <b>B8.4</b> [The equality impact assessment identified the following actions to be carried out:] NA   |

## Risk Assessment

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| <b>B9</b> What are the Risk Assessment implications:   |
| <b>B9.1</b> Positive (Opportunities/Benefits):<br>The impact to business ratepayers and the Council is low, as the scheme is fully funded by the Government. |
| <b>B9.2</b> Negative (Threats):  |
| <b>B9.3</b> The risks do not need to be entered in the Risk Register. Any financial implications to mitigate against these risks are considered above.       |

## Legal Considerations

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| <b>B10</b> What are the Legal Considerations:   |
| <b>B10.1</b> The main legal issues arising from this decision are as follows:<br>Section 31 Local Government Finance Act 2003<br>Section 33 Part 2 of the Small Business Enterprise and Employment Act 2015<br>Companies Act 2006 |



This section has been approved by the following member of the Legal Team:

Please print name:  
Angela Wakefield, Solicitor to the Council

Please sign name: [Approved by email 030820](#)

## Sustainability Implications

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| <b>B11</b> What are the Sustainability implications:   |
| <b>B11.1</b> The proposal would not result in an overall positive effect in terms of sustainability (including climate change and change adaptation measures). The positive/negative impacts are set out below (please refer to guidance notes). |
| <b>B11.2</b> Positive (Opportunities/Benefits):<br>NA  |
| <b>B11.3</b> Negative (Threats):<br>NA   |

## Health & Safety Implications

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| <b>B12</b> What are the Health & Safety implications:   |
| <b>B12.1</b> A Risk Assessment has not been carried out and entered into Safety Media for all significant hazards and risks because there are no significant hazards or risks arising from this decision. |
| <b>B12.2</b> Any financial implications to mitigate against these hazards and risks are considered above.   |
| <b>B12.3</b> [Control measures and an action plan have been identified for any significant hazards and risks identified in the risk assessment. The positive/negative impacts are set out below] NA       |
| <b>B12.3.1</b> Positive (Benefits)<br>NA  |
| <b>B12.3.2</b> Negative (Threats)<br>NA   |

## Key Decision

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| <b>B13</b> Is this a Key Decision?  | No |
| <p><b>Note: A Key Executive Decision is one where:</b></p> <ol style="list-style-type: none"> <li><b>1. REVENUE – Any contract or proposal with an annual payment or saving of more than £100,000</b></li> <li><b>2. CAPITAL – Any capital project with a value in excess of £150,000</b></li> <li><b>3. A decision which significantly affects communities living or working in an area comprising two or more wards.</b></li> </ol> |    |
| <b>B13.1</b> If this is a Key Decision, is this an urgent decision such that a delay caused by use of the Call-in Procedure would <u>seriously</u> prejudice the public interest?   | NA |
| <b>B13.2</b> If yes, has the Mayor or in his/her absence the Deputy Mayor or in his/her absence the Chair of the relevant Scrutiny Committee agreed that the decision will be exempt from Call-in?  | NA |

**NOTE: If this decision is subject to the Call-in Procedure it will come into force, and may then be implemented, on the expiry of 3 working days after publication – unless 10 Members of the Council call in the decision.**

Please send the original signed document to [andrea.davies@eaststaffsbc.gov.uk](mailto:andrea.davies@eaststaffsbc.gov.uk)