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EXECUTIVE DECISION RECORD

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| A1 Service Area | Revenues, Benefits & Customer Contacts |
| A2 Title | Local Authority Discretionary Grant Fund scheme review |
| A3 Decision Taken By | Leader/Chief Executive/Chief Officer |
| A4 Chief Executive / Chief Officer | Please print names: Andy O'Brien / Sal Khan Please sign names: Both approval by email 220620 |
| A5 Leader / Deputy Leader | Please print name: Cllr D Goodfellow Please sign name: Approval by email 220620 |
| A6 Date of Decision | 26 th June 2020 |

Confidentiality

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

Scrutiny

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| A8 Which Scrutiny Committee should this decision be submitted to? | <i>(Please tick as appropriate)</i> ✓ |
| 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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| B1 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 2nd 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 13th 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 Wednesday 27th May 2020 to Sunday 7th June 2020. During that period 109 applications for the grant were received. As at 12/06/2020, 17 grants have been awarded, totalling £85,000, leaving £1,114,250 funding unspent.

59 applications have so far been refused a grant, so officers undertook a study of the reasons for those refusals. The three rejected reasons used most were:

- Small/micro businesses that did not share a space;
- The business did not show they had fixed property costs
- The business was not located in East Staffordshire

An assessment has been conducted on the Council's current Business Rates database to identify other small businesses that are not eligible for the Small Business or Retail, Hospitality & Leisure grants, but have a rateable value of between £15,000 and £51,000. (Rateable values under £15,000 attract the small business grant, and the Government criteria for the Discretionary Scheme targets businesses with fixed property costs less than £51,000).

There are around 170 businesses which match this criteria, and many of those businesses are in the manufacturing trade which has not yet been supported by the Government in specific grants up to now.

It has been agreed that a grant level of £5,000 may not be enough to support local businesses during the pandemic. Increasing the grant level to £10,000 would be of more benefit to successful applicants, as well as utilising more of the available funding. However, increasing the level of grant will reduce the number of grants that the Council can award from 239 to 119.

Recommendations:

That the Council extend its scheme criteria to the following business types:

- 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. 12 applications from businesses that solely occupy properties have been rejected in the current window as they did not match the 'shared space' criteria in the first application window. However, their applications showed that whilst the business was in sole occupation of the property their fixed property costs did not exceed the £51,000 limit and they have suffered significant losses due to the pandemic.

- 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 £51,000, and are not eligible for the Small Business grant or the Retail, Hospitality & Leisure grant.
- 3) Increase the level of grant payment to £10,000.
- 4) For those 17 businesses that have received a Discretionary Grant of £5,000, to receive a further £5,000 additional payment to bring their grant payment to the same level as new applications under these recommendations.
- 5) For the 12 small/micro businesses who were not successful in the first application window as they did not occupy shared spaces, an automatic application for a £10,000 grant payment under these recommendations
- 6) Continue to accept applications from businesses that meet the four business type criteria under the first application window.

There will be a second short window for applications of two weeks and applications received in that window will be 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.

Once these applications have been processed should there be any grant funding left unspent it has been agreed that the Head of Service will review the criteria of the funding, with approval from the Chief Executive, Leader and Deputy Leader. This may then enable the Council to invite further applications from other businesses not in the original criteria and award further grants to meet the full funding.

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.

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.

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| B3 What are the contributions to Corporate Priorities? | 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'. |
| B4 What are the Human Rights considerations? | There are no Human Rights issues arising from this decision. |

Financial Implications

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| B5 What are the financial implications? | <p>The main financial issues arising from this decision are as follows:</p> <p><u>Revenue Implications</u></p> <p>The estimated funding allocation (which is based on 5% uplift of hereditaments in scope of Small Business and Retail, Hospitality & Leisure Grant funding as at 4th 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 £85,000.</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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| The finance section has been approved by the following member of the Financial Management Unit: | <p>Please print name: Lisa Turner</p> <p>Please sign name: Approval by email 120620</p> |
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Policy Framework

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

Equalities Implications

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| B8 What are the Equalities implications: |
| B8.1 Positive (Opportunities/Benefits): The Council is able to support more businesses in East Staffordshire who are not able to apply for any other grant funding. |
| B8.2 Negative (Threats): The funding is finite and limited numbers of businesses will have a successful application. The second application window could be over-subscribed and the Council will not be able to award a grant where the funding has been fully spent. |
| B8.3 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. |
| B8.4 [The equality impact assessment identified the following actions to be carried out:] NA |

Risk Assessment

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| B9 What are the Risk Assessment implications: |
| B9.1 Positive (Opportunities/Benefits): The impact to business ratepayers and the Council is low, as the scheme is fully funded by the Government. |
| B9.2 Negative (Threats): |
| B9.3 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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| B10 What are the Legal Considerations: |
| B10.1 The main legal issues arising from this decision are as follows: Section 31 Local Government Finance Act 2003 Section 33 Part 2 of the Small Business Enterprise and Employment Act 2015 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: [Approval by email 150620](#)

Sustainability Implications

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| B11 What are the Sustainability implications: |
| B11.1 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). |
| B11.2 Positive (Opportunities/Benefits): NA |
| B11.3 Negative (Threats): NA |

Health & Safety Implications

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| B12 What are the Health & Safety implications: |
| B12.1 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. |
| B12.2 Any financial implications to mitigate against these hazards and risks are considered above. |
| B12.3 [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 |
| B12.3.1 Positive (Benefits) NA |
| B12.3.2 Negative (Threats) NA |

Key Decision

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| B13 Is this a Key Decision? | No |
| <p>Note: A Key Executive Decision is one where:</p> <ol style="list-style-type: none"> 1. REVENUE – Any contract or proposal with an annual payment or saving of more than £100,000 2. CAPITAL – Any capital project with a value in excess of £150,000 3. A decision which significantly affects communities living or working in an area comprising two or more wards. | |
| B13.1 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 |
| B13.2 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