

Cabinet Member Decision Note
Covid-19 Response – Urgent Decision
Local Authority Discretionary Grants Fund

To: Leader of the Council

Date: 4th June 2020

Author: Head of Strategic Growth and Place

Wards: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 This report seeks Leader of the Council's authorisation for the Council's approach to identifying local companies that may meet the criteria for the Local Authority Discretionary Grants Fund and then to award those grants.
- 1.2 In response to the Coronavirus, COVID-19, the government announced there would be support for small businesses, and businesses in the retail, hospitality and leisure sectors, delivered through the Small Business Grant Fund and the Retail, Leisure and Hospitality Grant Fund.
- 1.3 This additional fund is aimed at small and micro businesses who were not eligible for the Small Business Grant Fund or the Retail, Leisure and Hospitality Fund.
- 1.4 In accordance with Paragraph 16(h) of Rules of Procedure and Terms of Reference Overview and Scrutiny Committees (Part 4 of the Constitution) Call-in Procedure, His Worship the Mayor Councillor Perkins has agreed that this issue be treated as urgent as any delay likely to be caused by the call-in process would seriously prejudice the Council's or the public interests.

2. Recommended Action to be authorised by a Cabinet Member under Delegated Powers

Recommended that:

- 2.1 The Head of Strategic Growth and Place be authorised to
 - 2.1.1 Adopt and publicise the Swindon Scheme for eligibility as set out in the body of the report.
 - 2.1.2 To assess applications against the eligibility criteria and to determine the amount of grant to each applicant based on the criteria as adjusted to ensure that the total grant paid by the council does not exceed the total grant of £1,815,750 set out in the body of the report.

Further information on the subject of this report can be obtained from Paul Smith on telephone 07500 884176 or via email psmith2@swindon.gov.uk.

Cabinet Member Decision Note
Covid-19 Response – Urgent Decision
Local Authority Discretionary Grants Fund

To: Leader of the Council

Date: 4th June 2020

2.2 The Corporate Director of Finance and Assets be authorised to pay the various grants from the Local Authority Discretionary Grants Fund up to a total sum of £1,815,750.

3. Detail

3.1 Local Authorities have been allocated a sum equal to 5% of the original grant award for the Small Business Grant Fund and the Retail, Leisure and Hospitality Grant Fund. Swindon Borough Council has been awarded the sum of £1,815,750.

3.2 These grants are primarily and predominantly aimed at:

3.2.1 Small and micro businesses, with turnover up to £10.2m, a maximum of 49 employees and a balance sheet value not exceeding £5.1m.

3.2.2 Businesses with relatively high ongoing fixed property-related costs.

3.2.3 Businesses that can demonstrate that they have suffered a significant fall in income due to the COVID-19 crisis.

3.2.4 Businesses which occupy property, or part of a property, with a rateable value or annual rent or annual mortgage payments below £51,000.

3.3 Local authorities are being asked to exercise their local knowledge recognising that economic need will vary across the country, so Government are setting some national criteria for the funds but allowing local authorities to determine which cases to support within those criteria.

3.4 The guidance sets out that Local Authorities should prioritise the following types of business:

3.4.1 Small businesses in shared offices or other flexible workspaces. Examples could include units in industrial parks, science parks and incubators which do not have their own business rates assessment;

3.4.2 Regular market traders with fixed building costs, such as rent, who do not have their own business rates assessment;

3.4.3 Bed & Breakfasts which pay Council Tax instead of business rates; and

Cabinet Member Decision Note
Covid-19 Response – Urgent Decision
Local Authority Discretionary Grants Fund

To: Leader of the Council

Date: 4th June 2020

- 3.4.4 Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief.
- 3.5 The list set out above is not intended to be exhaustive but is intended to guide local authorities as to the types of business that the government considers should be a priority for the scheme. Authorities should determine for themselves whether particular situations not listed are broadly similar in nature to those above and, if so, whether they should be eligible for grants from this discretionary fund.
- 3.6 As funding available for this scheme is limited, it is at the discretion of local authorities as to which types of business are most relevant to their local economy.

Mandatory Criteria

- 3.7 There are also some mandatory criteria for receiving this grant:
- 3.7.1 This grant funding is for businesses that are not eligible for other support schemes. Businesses which are eligible for cash grants from any central government COVID-related scheme (apart from SEISS) are ineligible for funding from the Discretionary Grants Fund. This includes the Small Business and Retail, Hospitality and Leisure grants.
- 3.7.2 Businesses that have applied for the Coronavirus Job Retention Scheme and are eligible for the Self-Employed Income support scheme are eligible to apply for this scheme.
- 3.7.3 Only businesses which were trading on 11 March 2020 are eligible for this scheme.
- 3.7.4 Companies that are in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme.
- 3.8 All grants are subject to Tax.

Swindon Scheme

- 3.9 Officers are seeking Cabinet Members' endorsement of the following principles and criteria to govern the administration of a Swindon specific scheme in accordance with the mandatory guidelines set out above:

Further information on the subject of this report can be obtained from Paul Smith on telephone 07500 884176 or via email psmith2@swindon.gov.uk.

Cabinet Member Decision Note
Covid-19 Response – Urgent Decision
Local Authority Discretionary Grants Fund

To: Leader of the Council

Date: 4th June 2020

- 3.9.1 The Council, through the Head of Strategic Growth and Place, will prioritise businesses as set out at paragraph 3.4 above. Businesses that do not fit these criteria may still apply, but availability of grants for other types of business will be wholly dependent on availability of funds.
- 3.9.2 Due to the limitation of grant funding and the high number of applications expected, the Council does not expect to provide grants of any more than £10,000 to a single business. The amount of the grant may be less than £10,000 dependent upon the number of eligible applications and losses proved so that Council grant payments do not exceed the amount provided by the Government of £1,817,750
- 3.9.3 Guidance around the scheme will be put on the Council's website on by as soon as possible and this sets out the criteria for eligibility and the evidence required to apply for the grant.(such as bank statements, company accounts, lease or mortgage documents, evidence of financial loss for example).
- 3.9.4 In order to manage expectations, the guidance will make it clear that grants of up to £10,000 could be provided but is subject to the number of applications received and capped at the business loss.
- 3.9.5 An application window will be for a set period and is expected to be open for a week to 10 days. Businesses will be able to submit their application for funding together with all supporting information to demonstrate their significant financial losses as a result of Covid-19.
- 3.9.6 Once the window has closed, applications will be analysed by category of business and level of loss. This analysis will help inform which businesses will be supported and the level of grant award per business. There is proposed to be no right of appeal as the level of funding available to the Council is fixed and will be fully allocated after the application window has been closed. This will also reduce the level of resources required to continually re-assess applications.
- 3.9.7 The Corporate Director of Finance and Assets shall then proceed to pay grants to those companies that have applied and that have been assessed as meeting the criteria set out above subject to final determination as to the amount of the grant by the Head of Strategic Growth and Place.

Cabinet Member Decision Note
Covid-19 Response – Urgent Decision
Local Authority Discretionary Grants Fund

To: Leader of the Council

Date: 4th June 2020

3.9.8 Payments will be made directly to businesses as quickly as possible once agreed and the businesses informed. This is hoped to be by the end of June.

4. Alternative Options

- 4.1 The Council does not have to implement any of these changes, although it is expected to implement these measures in order to help protect the business concerned.

5. Consultation

- 5.1 The following Opposition and Minority Group Spokespersons / Ward Members have been consulted on the recommendations of the report and their responses are also summarised below:

Councillor Grant – “It is patently absurd for opposition councillors to be able to give a considered response to such an important proposal when they have been given less than 3 hours to do so, Had the administration taken up the offer of a cross party working group to cover all aspects Swindon’s recovery from the coronavirus pandemic things may have been different. So much for the Leader’s commitment to the “usual democratic process”. The report carries no analysis of how companies in receipt of this grant might benefit the long term future of the Swindon economy. Nor does it appear to prioritise those companies who have shown a commitment to Swindon in the past. Had it done so the Swindon Scheme would be prioritising those companies which 1) recognise trade unions 2) are committed to paying the real living wage and 3) have a proven track record in seeking to reduce carbon emissions. I would ask that these 3 items are added to our local criteria”

Councillor Pajak - “Very happy to support this help to small businesses”

6. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 6.1 The Council has been provided with funding of £36,315,000 in relation to the Small Business Grant Fund (SBGF) and the Retail, Leisure and Hospitality Grant (RHLG) Fund. The Council is not expecting to use all of this funding as it was based on potential business numbers at a point in time and is over estimated.

Cabinet Member Decision Note
Covid-19 Response – Urgent Decision
Local Authority Discretionary Grants Fund

To: Leader of the Council

Date: 4th June 2020

- 6.2 The funding of £1,815,750 represent 5% of this total and the Government has indicated that funding for the Discretionary grant must be funded as a call on the funding provided for the SBGF and RHLG funds.
- 6.3 Local Authorities do not have any discretion to increase the available funding for the Discretionary fund unless through their own budgets as it is capped at 5% of the original grant.
- 6.4 Any underspend on funding is expected to be repaid to Government.

Legal and Human Rights Implications

- 6.5 Government guidance states that the council has power to grant the payment pursuant to s1 of the Localism Act 2000. The Guidance provides some mandatory criteria but provides discretion to the local authority to apply local criteria. It is also for each authority to determine the amount of grant to be provided to each applicant.
- 6.6 Any exercise of the powers and the discretion within the scheme will be exercised reasonably and with regard to the purpose of the guidance, which is for government, utilising local authority local knowledge to determine which business to support and the level of that support within the total value of the grant provided by government. Prior to any grant, each business will be expected to ensure it complies with any State aid requirements as detailed in the guidance. The guidance requires that the council operate processes to prevent fraudulent claims pre and post.

Climate Change Impact

- 6.7 The proposals would not bring a change in the service delivery and Officers believe that there is no expected effect on the Council's carbon footprint.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 6.8 This will help businesses through a very difficult time and no major impacts have been identified.

Diversity Impact Assessment

- 6.9 No adverse Diversity impacts have been identified by the implementation of these reliefs and a Diversity Impact Assessment has been undertaken.
-

Further information on the subject of this report can be obtained from Paul Smith on telephone 07500 884176 or via email psmith2@swindon.gov.uk.

Cabinet Member Decision Note
Covid-19 Response – Urgent Decision
Local Authority Discretionary Grants Fund

To: Leader of the Council

Date: 4th June 2020

Risk Management

- 6.10 Resources will be deployed to check that the applications are genuine and that grant payment if made is to the right recipient. This may involve further checks on a business if required and liaison with Internal Audit as appropriate.
- 6.11 Post payment, the government Grants Management Function and Counter Fraud Function will support local authorities to carry out post-event assurance work to identify high risk payments. The Council's Internal Audit team are also involved with designing and administering the scheme.
- 6.12 If the Council granted reliefs in excess of the amounts that Central Government will recompense there would be an additional burden on Council Taxpayers, but reviewing the grant awards once applications are received will prevent this.

7. Consultees

- 7.1 The Corporate Director of Finance and Assets (s151 officer) and Chief Legal Officer (Monitoring Officer) are consulted in respect of all reports.

8. Background Papers

- 8.1 None

9. Appendices

- 9.1 Local Authority Discretionary grants fund - guidance for local authorities (v2)

10. Declarations of Interest

Opposition and Minority Group Spokespersons / Ward Members

- 10.1 Opposition spokespersons / Ward Members are reminded to consider whether they have any known interests in any of the matters referred to in this Decision Note. If such an interest exists this should be declared to the Monitoring Officer (or Senior Committee Clerk), and they should take no part in the consideration of the Briefing Note and should refer the Briefing Note to their Group Leader.

Cabinet Member(s)

- 10.2 Cabinet Members are reminded to consider whether they have any known interests in any of the matters referred to in this Decision Note. If such an interest exists this should be declared to the Monitoring Officer (or Senior

Cabinet Member Decision Note
Covid-19 Response – Urgent Decision
Local Authority Discretionary Grants Fund

To: Leader of the Council

Date: 4th June 2020

Committee Clerk), and they should take no part in the consideration of the Decision Note and should refer the Decision Note to the Leader of the Council instead for consideration.

11. Sign-off

11.1 The Cabinet Member is requested to respond urgently.

11.2 The Cabinet Member is requested to indicate one of the following responses to the Recommendations set out in Section 2 of this report:

Note and support the proposed action to be taken under delegated authority –

Yes / No

Note and request the proposed action be reconsidered – Yes / No

Reasons for Reconsideration:

.....
.....

Request Report be Referred to Cabinet - Yes / No

NB To protect against identity theft, Cabinet Member's signatures will be redacted on public versions of the signed Briefing Note.

Date ____04/06/20____

Signed SIGNATURE REDACTED Cabinet Member

11.3 Decisions of Cabinet Members will be published in the Members' Bulletin. The Decision must not be implemented until such time that a five-day "Call-in" period has expired. This date will be specified in the Members Bulletin. If a Decision is

Further information on the subject of this report can be obtained from Paul Smith on telephone 07500 884176 or via email psmith2@swindon.gov.uk.

Cabinet Member Decision Note
Covid-19 Response – Urgent Decision
Local Authority Discretionary Grants Fund

To: Leader of the Council

Date: 4th June 2020

"called-in" it will be referred to the Scrutiny Committee for consideration. It must only be implemented if the Scrutiny Committee has raised no objection. If an objection is forthcoming the matter will be referred back to the Decision-Maker.