

Cabinet Member Decision Note

COVID-19 Recovery – Business Support Grants

To: The Leader of Council

Date: 8th March 2021

Author: Chief Executive

Wards: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 This report seeks the Leader of Council's authorisation for allocation of grants to businesses through funding provided by the Government to Local Authorities.
- 1.2 In response to COVID-19, the Government has provided on-going support for businesses that have been severely affected by the Local and National Tier Restrictions since March 2020 through a number of different schemes.
- 1.3 This Notice aims to affirm that the Council will administer these grants as requested by the Government in line with the general principles of the grant schemes.

2. Recommended Action to be Authorised by a Cabinet Member Under Delegated Powers

Recommended that the Cabinet Member agrees to:

- 2.1 Authorise the Corporate Director of Finance and Assets to:
 - 2.1.1 Adopt and publicise any business grants as provided by government in line with Government Guidance and principles to support businesses in response to the Covid-19 pandemic, in consultation with the Leader of the Council.
 - 2.1.2 To pay any business grants up to the amounts awarded by the Government

3. Detail

- 3.1 As part of the support packages for businesses, the Government has provided significant funding to Local Authorities for them to provide grants to businesses that are significantly impacted by the Pandemic. To date there have been approximately 12 different schemes announced with funding to the Council exceeding £58m, with each scheme providing slightly different levels of support and eligibility requirements.
- 3.2 There are some mandatory criteria which apply to all grants, including businesses being solvent, grants being subject to tax and compliance with State Aid limits. There is also

Cabinet Member Decision Note

COVID-19 Recovery – Business Support Grants

To: The Leader of Council

Date: 8th March 2021

guidance for Local Authorities around managing the risk of fraud, pre and post-event assurance, monitoring and evaluation requirements and State Aid conditions.

- 3.3 The majority of grants must be awarded in line with Government criteria and principles and there is no real discretion for the Council in awarding these.
- 3.4 One of the grants, the Additional Restrictions Grant (“ARG”), does provide Local councils with discretion as to how specifically it is used as long as it aligns within the principle set by Government, namely to support closed businesses that do not directly pay business rates as well as businesses that do not have to close but which are impacted by the Pandemic. This grant has previously been used to top up other grants as well as for the Taxi Driver Sole Trader scheme and each of these required a separate approval.
- 3.5 In order to increase the pace at which the Council can react to new grant awards and changing circumstances, this report seeks approval for officers to allocate further grant funding awards in line with the guidance and principles outlined by the Government, in consultation with the Leader of the Council. This will remove the need for a separate approval each time further opportunities for supporting businesses are identified and enable the Council to react more quickly in supporting businesses.
- 3.6 Under recommendation 2.1, implementation of new grant awards will be recorded by way of an Officer Decision Notice to authorise all new schemes.

4. Alternative Options

- 4.1 The Council could choose not to administer these grants, although this would be extremely detrimental to the local economy and the Council’s reputation.

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 Small - I am happy to support the decision note, with one small added bit. That Covid related grants that required SBC to set its own criteria or the opportunity to vary the criteria from the stipulated national criteria should be subject to a Lead Member decision note or decision of Cabinet.

Councillor Ali – I am happy to support CMDN Covid -19 Business grants.

Councillor Donachie – No comments received

Councillor Pajak – No comments received

Cabinet Member Decision Note

COVID-19 Recovery – Business Support Grants

To: The Leader of Council

Date: 8th March 2021

6. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 6.1 The Government has provided the Council with grants of over £58m to date covering around 12 different schemes. Each scheme has a set funding envelope, deadlines for when businesses may apply and when last payments must be made. In all cases, unspent grant must be returned to Government.
- 6.2 Officers closely monitoring spend to ensure individual funding allocations are not exceeded.
- 6.3 There are no procurement implications from this proposal.

Legal and Human Rights Implications

- 6.4 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 assess applications.
- 6.5 Any exercise of the powers and the discretion within the scheme will be exercised reasonably and with regard to the purpose of the grants, which is for government, utilising local authority local knowledge and networks to determine which business to support. Prior to any grant, each business will be expected to ensure that it complies with any State Aid requirements as detailed in the Guidance. The Guidance requires that the Council operate pre and post payment processes to prevent fraudulent claims.

Climate Change Impact

- 6.6 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)

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

Diversity Impact Assessment

- 6.8 A diversity impact assessment has been undertaken and a copy is available from the report author. No benefits or adverse effects were identified.

Cabinet Member Decision Note

COVID-19 Recovery – Business Support Grants

To: The Leader of Council

Date: 8th March 2021

Risk Management

- 6.9 Resources will be deployed to check that the applications are genuine and that grant payment is made to the correct recipient. This may involve further checks on a business, if required and full liaison with Internal Audit.
- 6.10 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.
- 6.11 If the Council granted reliefs more than the amounts that Central Government will recompense, there would be an additional burden on Council Taxpayers but the finance team monitor actual spend against grant award to ensure funding is not over-allocated.
- 6.12 The Government have indicated that any unspent funds must be refunded to Government and it is therefore in the interest of the Town to ensure that as much funding as possible is provided to local businesses as quickly as possible.

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 None

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 Decision Note and should refer the Decision Note to their Group Leader.

Cabinet Member Decision Note

COVID-19 Recovery – Business Support Grants

To: The Leader of Council

Date: 8th March 2021

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 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 with 5 days of the date of this report (by 13th March 2021).
- 11.2 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 "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.
- 11.3 The Cabinet Member is requested to indicate one of the following responses to the Recommendations set out in Section 2 of this report.

[To be signed electronically and redacted for publication.]