

RECORD OF DECISION MADE UNDER DELEGATED AUTHORITY

***PART 1 – PUBLIC DOCUMENT**

Any interest to declare/ or conflict and any dispensation granted *N/A*

SERVICE DIRECTORATE: CUSTOMERS

1. DECISION TAKEN

- 1.1 Adoption of the Council's Local Authority Discretionary Grants Fund Scheme
- 1.2 That any minor amendments found to be necessary to clarify any points in the Policy be delegated to the Service Director – Customers in consultation with the Executive Member for Finance & IT

2. DECISION TAKER

- 2.1 Anthony Roche, Deputy Chief Executive, under urgency provisions (in the absence of the Chief Executive) in consultation with the Leader of Council.

3. DATE DECISION TAKEN

- 3.1 28 May 2020

4. REASON FOR DECISION

- 4.1 To enable the Council to implement its Local Authority Discretionary Grants Fund Scheme, without delay and in accordance with Government expectations.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 This Scheme has been developed in accordance with Government Guidance and following consultation with Executive Members
- 5.2 The matter is considered urgent because of Government expectation that it will be in place and payments will be made from early June. Whilst this is considered unrealistic, there is nevertheless a clear intention signalled by the Government, that Schemes should be in place without undue delay to assist businesses that are struggling in light of the COVID-19 pandemic.

6. CONSULTATION (INCLUDING THE EFFECT ON STAKEHOLDERS, PARTNERS AND THE PUBLIC)

- 6.1 The Executive and Deputy Executive Members for Finance & IT and the Executive Member for Enterprise & Co-Operative Development have been consulted on these proposals.
- 6.1 Consultation has also taken place with the Leader of the Council, Chairman of the Overview & Scrutiny Committee, Chief Executive and Deputy Chief Executive.

7. FORWARD PLAN

- 7.1 This decision is a key Executive decision that the Leader of the Council considers to be urgent. It has not been possible to notify the public by including it in the Forward Plan because its intention was only announced by the Government on 14 May 2020 and final guidance was received on 27 May 2020. The Chairman of the Overview and

Scrutiny Committee has been informed and agreed that the decision cannot be deferred.

8. BACKGROUND/ RELEVANT CONSIDERATIONS

8.1 The Department for Business, Enterprise & Industrial Strategy (BEIS) has previously announced three Prescribed Schemes to help small businesses that have suffered losses as a result of the COVID-19 pandemic. These are the Small Business Grants Scheme offering Grants of £10,000 and the Retail, Hospitality & Leisure Grants Scheme, which is split into two separate Schemes offering Grants of £10,000 and £25,000 depending on the rateable value of the business.

8.2 These Schemes have been operating for just over a month and so far, this Council has paid out around £24.2M to around 1,900 businesses.

8.3 There was extensive lobbying of the Government on behalf of struggling businesses that did not qualify for any of these Prescribed Schemes, in particular on behalf of businesses that were not ratepayers and therefore excluded from the Schemes.

8.4 As a consequence of this, the Government has announced a Discretionary Scheme for Local Authorities to administer.

8.5 Guidance on the Discretionary Scheme was received on 14 May 2020.

8.6 Funding for each Scheme will be 5% of the projected spend for the three Prescribed Schemes detailed in the weekly return to BEIS on 4 May 2020. For North Hertfordshire, this amounts to £1.385M.

8.7 There will be three values of awards that can be made:

- £25,000
- £10,000
- Any value up to £10,000

8.8 No Grants of more than £25,000 are available or for any value between £10,001 and £24,999.

8.9 The Government Guidance highlights four aims as follows:

The Scheme should be primarily and predominantly aimed at the following:

- *Small and micro businesses, as defined in Section 33 Part 2 of the Small Business, Enterprise and Employment Act 2015 and the Companies Act 2006*
- *Businesses with relatively high ongoing fixed property-related costs*
- *Businesses which can demonstrate that they have suffered a significant fall in income due to the COVID-19 crisis*
- *Businesses which occupy property, or part of a property, with a rateable value or annual rent or annual mortgage payments below £51,000*

8.10 Furthermore, the Guidance also stipulates four priority categories of businesses that it expects Local Schemes to assist. These are:

- *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;*
- *Regular market traders with fixed building costs, such as rent, who do not have their own business rates assessment;*
- *Bed & Breakfasts which pay Council Tax instead of business rates; and*

- *Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief*

8.11 There are other restrictions detailed in the Guidance:

- *Businesses must have been trading on 11 March 2020*
- *Business must have fixed property costs, e.g. Rent/Mortgage, Service Charges, Buildings Insurance*
- *Business must meet the definition of a small business under the Companies Act 2006, that is to meet two of the following three conditions:*
 - *Turnover: Not more than £10.2 million*
 - *Balance sheet total: Not more than £5.1 million*
 - *Number of employees: a headcount of staff of less than 50*
- *The guidance also refers to micro businesses but the test for that is lower than for a small business*
- *The business must not be in administration, insolvency or received a striking off notice*
- *Businesses must not have received or be eligible for any other Government COVID-19 assistance, for example assistance under one of the Prescribed Schemes, although assistance under the Self Employment Income Support Scheme is allowed*

8.12 Although described as a “Discretionary” Scheme, the reality is likely to be that with the amount of money available, once the “priority” applications have been processed, there will be little, if any money left for any discretionary cases.

8.13 The Council’s proposed Discretionary Business Grant Scheme is at Appendix 1.

8.14 The proposal is to have a specific window of three working weeks in which applications can be made using an electronic application form on the Council’s web site.

8.15 This will be supported by as much advertising as possible using the Council’s web site, social media, press release, assistance from Town Centre Managers and other business organisations and an advert in the local newspaper.

8.16 Having a specific window for applications will enable the Council to consider all applications in the round rather than trying to assess applications as they come in, which would run the risk of favouring those businesses that just happened to apply first.

8.17 The number and value of awards can be assessed against those businesses that fall into one of the four aims (see 8.9) and meet one of the four priorities (see 8.10)

8.18 Applications can then be considered from businesses that do not fall into one of the priority categories but do meet one or more of the aims, with priority going to those whose income has reduced to zero or just above.

9. LEGAL IMPLICATIONS

9.1 The authority to make these payments is contained at section 1 of the Localism Act 2011 – General Power of Competency

9.2 Section 14.6.5 of the Council’s Constitution details the delegation of authority to the Chief Executive. 14.6.5 (a) lists the functions delegated to the Chief Executive and at 14.6.5 (a) (iv) it states:

In cases of emergency or urgency (where possible in consultation with the Leader of the Council) to carry out any Council or Executive function, power or duty

9.3 Section 14.6.6 (a) (i) delegates to the Deputy Chief Executive:

In cases of emergency or urgency to exercise any of the functions powers or duties of the Chief Executive

9.4 The decision is considered urgent for the reasons detailed at 5.2

10. FINANCIAL IMPLICATIONS

10.1 There are no direct financial implications to the Council. Initially the funding will be taken from unspent funding aimed at the three Prescribed Schemes, which has already been received. If any further funding is due, which is not considered likely, this will be topped up by the Government through a section 31 Grant.

11. RISK IMPLICATIONS

11.1 In these unprecedented times in peace time, the Government is anxious to get these payments to businesses as soon as possible and seeking a formal Cabinet decision to implement these Schemes will build in unnecessary delay.

11.2 There is no financial risk to the Council.

11.3 There could be significant reputational risk to the Council if it is seen to be slow in implementing this assistance to businesses.

11.4 With any discretionary scheme, there is always the risk of challenge. In following the Government Guidance in terms of priority cases, the Council is minimising this risk.

12. EQUALITIES IMPLICATIONS

12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

12.2 The Council is implementing Government policy designed to assist businesses that are considered most in need during the COVID-19 pandemic.

13. SOCIAL VALUE IMPLICATIONS

13.1 The Social Value Act and “go local” policy do not apply to this decision.

14. HUMAN RESOURCE IMPLICATIONS

14.1 There are no Human Resources implications in this report.

14. BACKGROUND PAPERS

14.1 Department for Business, Energy & Industrial Strategy Guidance.

14.2 Department for Business, Energy & Industrial Strategy FAQ's

15. APPENDICES

15.1 Appendix 1 – NHDC Local Authority Discretionary Grants Fund Policy

NOTIFICATION DATE

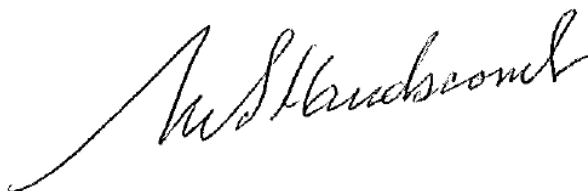
29.05.2020

Signature of Deputy Chief Executive. Decision taker

A handwritten signature in black ink, appearing to be 'A J B' followed by a horizontal line.

Date: 28 May 2020

Signature of Executive Member consulted (Leader of Council):

A handwritten signature in black ink, appearing to be 'M Sturges'.

Date: 28 May 2020

This is an executive decision *however*, as this has been taken on urgency grounds, then as per section 6.3.11(b) of the Constitution 'Call-In and Urgency', the call-in procedure does not apply when the decision being taken is urgent. A delay caused by the call-in process would seriously prejudice the Council's or other public interests. The Chair of Council has been informed and agrees that the decision is a reasonable one in the circumstances and is to be treated as a matter of urgency.