

Agenda No

AGENDA MANAGEMENT SHEET

Report Title: Discretionary Grants Policy

Date of Meeting: This decision is being taken under emergency powers as detailed within this report.

Report Director: CFO

Portfolio: Corporate Resources

Ward Relevance: All

Prior Consultation: Executive Director
Head of Growth and Investment
Head of Corporate Resources and Chief Financial Officer
Legal Democratic and Electoral Services Manager / Monitoring Officer
Financial Services Manager
Corporate Assurance Manager
Revenues Manager
Economic Development Manager
Political Group Leaders
Portfolio Holder
Chairman of Overview and Scrutiny
Mayor

Contact Officer: Chryssa Burdett Revenues Manager 01788 533495

Public or Private: Public

Report Subject to Call-In: Yes

Report En-Bloc: No

Forward Plan: No

Corporate Priorities: This report relates to the following priority(ies):
 To provide excellent, value for money services and sustainable growth
 Achieve financial self-sufficiency by 2020
 Enable our residents to live healthy, independent lives
 Optimise income and identify new revenue opportunities (CR)
 Prioritise use of resources to meet changing customer needs and demands (CR)

(CR) Corporate Resources
(CH) Communities and Homes
(EPR) Environment and Public Realm
(GI) Growth and Investment

- Ensure that the council works efficiently and effectively (CR)
- Ensure residents have a home that works for them and is affordable (CH)
- Deliver digitally-enabled services that residents can access (CH)
- Understand our communities and enable people to take an active part in them (CH)
- Enhance our local, open spaces to make them places where people want to be (EPR)
- Continue to improve the efficiency of our waste and recycling services (EPR)
- Protect the public (EPR)
- Promote sustainable growth and economic prosperity (GI)
- Promote and grow Rugby's visitor economy with our partners (GI)
- Encourage healthy and active lifestyles to improve wellbeing within the borough (GI)
- This report does not specifically relate to any Council priorities but

Statutory/Policy Background: The Council Section 1 of the Localism Act 2011

Summary: To approve a policy for the granting of discretionary grants to businesses.

Financial Implications: This will be funded by the allocation of grant funding from the Government. Rugby Borough Council has been allocated £0.985m.

There are currently no expectations of further grant funding.

Risk Management Implications: There is a risk that demand for discretionary grants will exceed the £0.985m and therefore businesses will be turned down for funding based on an assessment.

There are fraud related risks and a framework will be developed for managing those risks. The risks include fraudulent applications and preferential treatment of some businesses over others, which could lead to complaints. An assurance framework will be developed with support from the Corporate Assurance and Improvement team. Internal audit will carry out pre and post payment testing to provide assurance that awards have been made in line

with the approved criteria, and to provide support to manage the risks of fraud or error.

Environmental Implications: None

Legal Implications: The Council is exercising its statutory powers as set out within s.1 Localism Act 2011.

The Council is required to have a policy for granting discretionary grants.

This decision is being made under emergency constitutional powers. This is due to COVID-19 and the inability for the Council to hold Full Council meetings. The Council is presently undertaking work in respect of virtual meetings and this includes preparation of Full Council. At this time it is not in a position to hold a virtual Full Council meeting and it is not scheduled to do so until the 21st July. In the absence of such meetings there are emergency powers that can be exercised by the Executive Director. This is in consultation with Group Leaders, the Mayor and the Chairman of Overview & Scrutiny.

The Council is also mindful of the relevant state aid implications and will be ensuring the required steps to ensure compliance.

Equality and Diversity: An Equality Impact Assessment is attached at Appendix 3. The Council has had due regard to this assessment in accordance with its statutory obligations as set out within the Equality Act 2010.

Options:

1. Rugby Borough Council Discretionary Grant Policy is approved.
2. An amended policy is approved

Recommendation:

- 1) The Executive Director under emergency delegated authority approves the adoption of the Rugby Borough Council Discretionary Grant Policy.
- 2) Delegated authority is given to the Executive Director in consultation with the CFO to implement and administer a scheme in accordance with the principles of the attached policy.

Reasons for Recommendation:

- 1) Adoption of a policy to enable the discretionary grant to be paid to

businesses as part of the Council's response to COVID-19

- 2) To enable the efficient administration of the scheme and minimising delay and contact with businesses.
- 3) To administer the scheme meeting the needs of businesses whilst securing the scheme from fraud and abuse.
- 4) Given the COVID-19 crisis, there is a need to implement the scheme urgently to ensure that business can access funding as soon as possible.
- 5) To enable the efficient administration of the scheme and minimising delay and contact with businesses

Discretionary Grant Policy

Public Report of the CFO

Recommendation

- 1) The Executive Director under emergency delegated authority approves the adoption of the Rugby Borough Council Discretionary Grant Policy.
- 2) Delegated authority is given to the Executive Director in consultation with the CFO to implement and administer a scheme in accordance with the principles of the attached policy.
- 3) Delegated Authority is given to the Executive Director in consultation with the Monitoring Officer to enter into and put in any additional safeguards, such as legal agreements to protect the Council.

1. Background

- 1.1 In response to COVID-19, the Government announced on 11 March 2020 a Small Business Grant Fund and a Retail, Hospitality and Leisure Grant Fund. Guidance was issued on 24 March 2020, and on 1 April 2020 Rugby Borough Council received £20.044m to distribute to ratepayers that received relief from their rates in either of the 2 categories, in line with an eligibility criteria.
- 1.2 Grants have so far been paid out to 1,356 totalling £16.800m.
- 1.3 The grants were for either £10,000 or £25,000 dependant on Rateable Value.
- 1.4 On 1 May 2020, the Government announced that there would be additional funding aimed at small or micro businesses who were not eligible for funding under the above grant funding. The guidance is attached at appendix 4.
- 1.5 The award of funding meant that Rugby Borough Council has been given £0.985m to distribute as part of the additional funding. As the grants are discretionary, Rugby Borough Council will have to have a Criteria in order for businesses to apply for the funding. The criteria has been designed alongside the other Warwickshire Districts and Coventry City Council to attempt to have consistency across the local area. Organisations such as the Federation of Small Businesses, The Growth Hub and the Chamber were involved in the suggested criteria.

2. Aim of the Criteria

- 2.1 The proposed criteria is attached at Appendix 1 and identifies businesses that the Government wishes to help and other business that could be helped in the local area determined by economic need. The priority areas are:
 - Small and micro 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 who do not have their own business rates assessment. [Note: (a). Rugby Borough Council will only pay grants to those that live within the Borough and (b). “Regular” means those traders that are present on most market days]
- Bed and breakfasts which pay Council Tax instead of business rates.
- Charity properties in receipt of charitable business rates relief, which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief.

2.2 The second priority will be:

- Business in the hospitality, leisure, retail, cultural and creative sectors which were ineligible for the grant funding previously available
- Independently owned manufacturing businesses (employing less than 50 employees) which have suffered a significant drop in income due to COVID-19 pandemic and have a plan to reopen as part of a new resilient supply chain for industry when the economy opens up

3 The Grants scheme

3.1 The Grants available will be between £3,000 and £10,000. The grants will be capped at £10,000 on order to help more businesses as the funding is limited. An on-line form will be available for businesses to complete in order for Officers to carry out an assessment against the criteria. A version of the contents of the online form is attached at appendix 2. The guidance makes it clear that Local Authorities are expected to start making these grants straight away and therefore there is a need for an urgent decision.

4 Financial Implications

4.1 The award of grants under this scheme will constitute state aid. State aid arises pursuant to Article 107 of Treaty of Functioning of the European Union, where there is a grant of aid which is capable of distorting competition and affecting trade between EU states.

4.2 The principle of state aid is applicable to this matter as clearly the awarding of grants by the Council qualifies as the granting of aid. Businesses will be made aware that this is the case through the application form and process.

4.3 There are however limits below which aid may be granted lawfully. As the grants payable are to £10k or below, De Minimis rules will apply, meaning that an undertaking may receive aid of up to €200k in any 3 year period

5 Equality Impact Assessment

An Equality Impact Assessment on this policy was undertaken on 5 June 2020. This assessment has been duly considered in the formulation of the attached policy and there are no direct implications that need to be referred to within the body of this report,

6. Emergency Decision

6.1 This decision is being made under emergency constitutional powers. This is due to COVID-19 and the inability for the Council to hold Full Council meetings. The Council has now held its first virtual Cabinet meeting but presently is undertaking work in preparation for the first Full Council meeting on the 21st July. In the absence of such meetings there are emergency powers that can be exercised by the Executive Director. This is in consultation with Group Leaders, the Mayor and the Chairman of Overview & Scrutiny.

6.2 As detailed within this decision an urgent decision is required to support the local businesses, and this is in line with the direction given by central government.

6.3 If the Council is not able to progress this urgently then this will result in businesses not receiving the required immediate financial support. This means that an emergency decision is required as set out within the Council Constitution and the Council cannot await the presently scheduled Full Council meeting of the 21st July.

7. Summary

The impacts of Covid-19 are wide-spread, significant and yet unknown in quantifiable terms or extent on the UK economy. The grants for eligible businesses to support them through the immediate crisis have been essential to support the ongoing costs and in some cases the survival of a number of businesses. It is important therefore that the Council continues to deliver the grants to businesses as quickly and efficiently as possible with the awarding of this discretionary funding for those businesses who have not been eligible to apply for the first schemes.

Name of Meeting: Cabinet

Date of Meeting: Please select Date of Meeting

Subject Matter: Discretionary Grant Policy under s1 of the Localism Act 2011

Originating Department:

DO ANY BACKGROUND PAPERS APPLY YES NO

LIST OF BACKGROUND PAPERS

Doc No	Title of Document and Hyperlink

The background papers relating to reports on planning applications and which are open to public inspection under Section 100D of the Local Government Act 1972, consist of the planning applications, referred to in the reports, and all written responses to consultations made by the Local Planning Authority, in connection with those applications.

Exempt information is contained in the following documents:

Doc No	Relevant Paragraph of Schedule 12A