

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

3RD JUNE 2020, AT 6.00 P.M.

MINUTE EXTRACT

PRESENT: Councillors K.J. May (Leader), G. N. Denaro (Deputy Leader), A. D. Kent, M. A. Sherrey, P.L. Thomas and S. A. Webb

Observers: Councillor M. Thompson

Officers: Mr. K. Dicks, Mrs. S. Hanley, Ms. J. Pickering, Ms J. Willis, Ms. C. Flanagan, Mr D Riley and Ms. A. Scarce

7/2020

DISCRETIONARY BUSINESS RATES GRANT

The Executive Director, Finance and Resources introduced the item and provided background information in respect of the grants which had previously been available at the onset of the Covid-19 lockdown. The Council had previously been awarded approximately £21m which had been distributed to nearly 2k business. It had become apparent that not all those businesses which had suffered as a consequence of Covid-19 had been eligible for the original grants. Central Government therefore announced an additional fund of approximately 5% (of the original grant), the Local Authority Discretionary Grants Fund, on 1 May 2020 and published guidance for local authorities on 13 May 2020, together with appropriate guidance. This further scheme provided financial support to businesses impacted by the Covid-19 pandemic and was in addition to the two existing schemes administered by local authorities: the Small Business Grants Fund and the Retail, Hospitality and Leisure Grants Fund.

The Government has announced three mandatory criteria for support under the scheme;

- The business must have been trading on 11th March 2020.
- The business must not be eligible or have received support under the other Covid-19 support schemes.

- The business must not be in administration, insolvent or have had an order to strike off made.

The Government had advised that payments under the scheme should be targeted at small and micro businesses. Section 3.11 of the report showed the proposed targeted areas of allocation, which was broken down into three priority areas, with an estimate of the number of eligible businesses under each priority group and the grant amount per business. The Executive Director Finance and Resources provided detail around each of these priorities and the businesses they were aimed at reaching. The total was around 93 businesses. It was confirmed that the Council needed to take a consistent approach when paying out the grants when following the Government guidance.

The Revenue Services Manager ran through the scheme and explained that there were three mandatory criteria set by the Government for the scheme, details of which were provided and included not already having received funding from the existing schemes. People that were self employed but had fixed property costs could make an application under the discretionary grants scheme. Within the guidance the Government had asked the Councils to prioritise support to four types of business, market traders with regular market pitches, small Bed and Breakfast establishments that appeared in Council Tax (and not non domestic rates) usually accommodating few than seven people and the owner lives at the premises; charities which occupy one small property in England and businesses in shared offices. The Government had made it clear that the intention of the scheme was to support small and micro businesses for the purpose of meeting their fixed property costs. In Bromsgrove the scheme has therefore been targeted towards those smaller businesses and aimed at people with a fixed property cost. The scheme therefore was intended to create a hierarchy of businesses in order for the relief to be awarded as per the priority groups detailed in the report.

It was intended that the scheme would be published on the Council's website and social media channels and Members would also be able to promote the scheme to businesses within their Wards. The applications would be opened for a fixed period of time, anticipated to be 14 days, when the scheme would be closed, and all applicants assessed. This would enable all businesses to make an application and enable a speedy assessment of entitlement at the end of the application period and avoid awards being made on a first come first served basis. If at the end of that period, all assessments have been made and there remains funding available the scheme would be re-opened to ensure the remaining funds were paid out to businesses.

The Leader then invited Councillor M Thompson to present the recommendation which had been made following consideration of the report at the overview and Scrutiny Board's meeting on 2nd June 2020 and which was tabled at this meeting. Councillor Thompson explained

that the recommendation was in respect of market traders and that they should be paid the grant on the basis on number of days trading and be irrespective of the number of pitches occupied. He further explained that these were very different and a proportion of the grant should be paid on the number of days that someone traded, for example the market was open for four days and if someone only traded for one regular day a week the they should receive a quarter of the amount someone who traded for all four days received.

Members discussed the proposal put forward by the Overview and Scrutiny Board and also questioned the content of the application form which was referred to and why this had not been included within the report. It was explained that this was still being developed at the time of publishing the report, but Officers provided details around the areas that would be included in it, together with the required supporting evidence. Members were assured that there would be a thorough application process and the form would be available online. Members were further advised that once the grants had been awarded Officers would be doing post grant assurance work to ensure the awards were genuine and working with the Cabinet Office using spotlights to ensure that the businesses were trading and bona fide and where grants are paid in error the appropriate actions would be taken to recover them. This had already been done with the existing schemes when it had transpired that payments had been made that were not correct.

It was also noted that within the report the application period referred to had not been detailed and Officers confirmed that it was anticipated that applications would open from 8th June for 14 days.

In respect of the recommendation from the Overview and Scrutiny Board, concerns were also raised around how it could be determined which days market traders trade and it was confirmed that as the Council operated the market then the Market Manager had that information available.

The Deputy Leader advised that the timelines given by Government had been exceedingly tight and he thanked Officers for producing the report and scheme within such a short period of time. He also confirmed that he was confident that due diligence would be applied in all stages of the award process.

It was confirmed that there was no restriction on businesses that had furloughed employees, but as this was aimed at small and micro businesses those that had used the furlough scheme was likely to be limited in number.

The Leader thanked Officers for the report and Councillor Thompson and the Overview and Scrutiny Board for carrying out a detailed piece of scrutiny.

RESOLVED that in respect of the market traders the grant be paid based on days of trading and be irrespective of number of pitches occupied.

RECOMMENDED:

- a) that the guidance for awards of discretionary grants detailed in Appendix A to the report, subject to the amendments contained in the recommendation from the Overview and Scrutiny Board, be adopted; and
- b) that the Executive Director for Finance and Resources be authorised to finalise the guidance and to make other decisions in relation to the payment of grants, in consultation with the Chief Executive and the Portfolio Holder for Finance and Enabling.

The meeting closed at 6.48 p.m.

Chairman