



City of Westminster

Cabinet Member Report

Decision Maker:	Cabinet Member for Finance, Property and Regeneration
Date:	10 September 2020
Classification:	General Release Appendix B – Not for Publication
Title:	Local Authority Discretionary Grants Fund – Remaining Awards
Wards Affected:	All
Financial Summary:	There will be no cost to the Council as expenditure under the scheme will be met in full by a funding allocation from central government and the government will provide New Burdens funding relating to the scheme administration
Report of:	Director of Revenues & Benefits

1. Executive Summary

- 1.1 This report seeks Cabinet Member approval for the award of the remaining individual grants of £10,000 under the Council's Discretionary Grant scheme.

2. Recommendations

- 2.1 That Appendix B to the report be declared exempt from publication as, the business to be transacted involves the disclosure of information as prescribed by paragraph 1 of Part 1 of Schedule 12a of the Act relating to information relating to the financial or business affairs of any particular person (including the authority).
- 2.2 That the Cabinet Member approves the award of grants to the businesses shown at Appendix B.

2.3 That the Director of Revenues & Benefits is given delegated authority to award any final grants that become available due to any recommended awards listed in Appendix B failing payment checks before the government's payment deadline of 30 September.

3. Reasons for Decisions

3.1 The proposed awards have each met the mandatory requirements of the scheme and have been given an evaluation score sufficient to qualify for a grant.

4. Background

4.1 A Cabinet Member report (Appendix A) approved in July 2020 awarded 358 grants out of the possible 399 grants for which the Council had received initial government funding.

4.2 The retention of 41 grants for future award allowed the Council to address applications that have not been awarded a grant through no fault of their own, e.g. through illness of the applicant / family member and where requests for information about the scheme were not addressed by the Council prior to the application closing date. It also allowed cases that have been extracted from the application process for further checks to be reconsidered once the appropriate checks were completed.

4.3 The 358 successful applicants were contacted and asked to provide documentary evidence of their bank accounts for payment of the grants. All the applicants bank accounts were subsequently submitted to the government's NFI / Experian service to check for fraudulent bank details. The NFI service also checked company details for limited companies.

4.4 Of the 358 applications, 0 cases failed the NFI/Experian check (after further investigation), 4 cases were removed as valuation changes meant a grant could instead be paid under the main government grant scheme, one business returned the grant and 3 applicants did not provide bank details despite being chased by the Council. The applicants who did not provide bank details will be advised that their application has been closed. The cases will also be individually considered for a potential fraud referral.

4.5 The above figures meant that the Council finally paid 350 of the 358 previously approved awards, which left a balance of 49 awards to be approved to fully utilise the government's initial funding of 399 grants. However, the government have recently made two statements regarding the Local Authority Discretionary Grant scheme. Firstly, all grants must be paid by 30 September. Secondly, it has stated that local authorities that have paid out more grants under the government's main scheme than their original government funding allocation will receive additional funding for their Discretionary grant scheme. The additional funding will be calculated as 5% of the difference between the main grant expenditure and the Council's original main grant funding allocation from the government. The Council queried this

point with the government, as all councils are being asked to undertake post payment verification work (including investigating / reversing unpaid grant cheques) and therefore eventual grant spend could well reduce. The government have subsequently taken on board this point and set a date of 30 August for the calculation of the final Discretionary grant figure. For Westminster this means that our Discretionary Grant funding will be £4,927,750, which will enable a total of 492 grants to be paid. As the Council has already paid 350 grants, this leaves 142 grants to be awarded under this report.

5. Applications Received

- 5.1 The Reserve applications referred to at 4.2 of this report were evaluated by the same method as the original awards. 23 applications scored 7.5 or above and therefore are recommended for a grant.
- 5.2 There are 81 applications that have scored 7.0 from the first batch and from the Reserve applications. Each of these applications have previously received an e-mail confirming that their application has been held in reserve for the final allocation process. Due to the government's confirmation of additional funding for the Discretionary grant scheme as outlined at 4.5 of this report, it is recommended that each of these applications is awarded a grant.
- 5.3 There were 17 applications that have scored 6.5. These applicants have previously received an e-mail advising that they were unsuccessful. However it is proposed that we award the 17 applicants a grant based on the increased government funding.
- 5.4 The proposed awards shown at 5.1, 5.2 and 5.3 of this report will result in awards of 121 new grants. This will leave 21 grants to award from the next lowest score of 6.0. There were 41 applications that initially scored 6.0. Each of these cases has been reviewed and a more detailed score undertaken to achieve the 21 remaining grants, This has ensured that the Council has maximised its grant funding from the government to support our businesses.
- 5.5 The 142 applications that are recommended for a grant payment are shown at Appendix B.
- 5.6 It is proposed that the Director of Revenues & Benefits is given delegated authority to award and pay grants before the government's payment deadline of 30 September if any application shown at Appendix B fails the Council's payment checks.
- 5.7 As outlined in the Cabinet Member report which set-up the scheme, there is no appeal process for applicants, other than via Judicial Review.

6. Legal Implications

- 6.1 The government have stated that the legal authority (vires) for local authorities to make the discretionary grant payments is under Section 1 of the Localism

Act 2001. Section 1 of the Localism Act 2011, which introduced “the general power of competence” enables authorities “to do anything that individuals generally may do”. The proposals within this report are consistent with the Council exercising this power.

- 6.2 Discretionary grants constitute state aid, although the amount per business is likely to be so small (in state aid) terms that any aid that is given is likely to be lawful in the basis that it falls within the de minimis limits even if it does not fall within the temporary state aid framework that has been approved by the EU Commission to enable member states to respond to the Covid-19 pandemic.

7. **Financial Implications**

- 7.1 The cost of the grants awarded under the Discretionary grants scheme will be fully funded by the government via the Council’s Discretionary scheme grant allocation.
- 7.2 The government will be providing New Burdens funding to local authorities in relation to the administration of the discretionary scheme. The amount of this funding is not yet known.

8. **Ward Member Comments**

- 8.1 The report relates to all wards and therefore there is no requirement for separate Ward Member consultation.

9. **Outstanding Issues**

- 9.1 There are no outstanding issues other than as outlined in this report.

If you have any queries about this report or wish to inspect any of the background papers please contact: Martin Hinckley, on 07816 215828 or via email to mhinckley@westminster.gov.uk

Appendices

APPENDIX A

Cabinet Member report – Local Authority Discretionary Grants Fund – July 2020

APPENDIX B

Local Discretionary Grant Proposed Remaining Awards

For completion by the **Cabinet Member for Finance, Property and Regeneration**

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: _____ Date: _____

NAME: **Councillor Melvyn Caplan**

State nature of interest if any

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(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled **Local Authority Discretionary Grants Fund – Remaining Awards**

Signed

Cabinet Member for Finance, Property and Regeneration

Date

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:

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If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Head of Legal & Democratic Services, Chief Operating Officer and, if there are resources implications, the Director of Human Resources (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.