



City of Westminster

Cabinet Member Report

Decision Maker:	Cabinet Member for Finance, Property and Regeneration
Date:	22 July 2020
Classification:	General Release Appendix A: Not for Publication
Title:	Local Authority Discretionary Grants Fund
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 of £3.995M 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 individual grants of £10,000 under the Council's Discretionary Grant scheme.

2. Recommendations

- 2.1 That Appendix A to the report be declared exempt from publication as the business to be transacted involves the disclosure of information as prescribed by paragraph 3 of Part 1 of Schedule 12a of the Act as it relates 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 A.

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 In response to the Coronavirus, the government announced that there would be support for small businesses and business in the retail, and hospitality and leisure sectors, delivered through the Small Business Grant Fund and the Retail, Leisure and Hospitality Grant Fund.

- 4.2 The government subsequently announced a new Local Authority Discretionary Grants Fund scheme aimed at small businesses who were not eligible for the initial government grant schemes due to not having a rating assessment. The new scheme is not intended to support the majority of the Council's businesses that currently receive no "Covid-19" NNDR assistance.

- 4.3 The Council has sought applications from businesses within each of the government's four priority business sectors as outlined in the government's guidance.

- Small businesses in shared offices or other flexible workspaces which would have qualified for a grant under the Council's main grant schemes if they had 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 rate relief which would otherwise have been eligible for Small Business Rates Relief.

- 4.4 The government funding allocation for the scheme for Westminster is £3.995M, which means that the Council can fund 399 grants at £10,000.

5. Applications Received

- 5.1 The Council originally set a closing date of 11 June for the on-line applications. This date was subsequently extended to 18 June to allow for more applications, due to the number of applications that were not meeting the mandatory requirements of the scheme.

- 5.2 The Council finally received 1,467 applications which meant that further considerations had to be applied to reach the available number of grants. The Council has sought applications from businesses within each of the government's four priority business sectors as outlined in the government's guidance. In order to match up with the main grant scheme, the applications were analysed and reduced so that only those small businesses in shared

offices or other flexible workspaces which would have qualified for a grant under the Council's main grant schemes were included. The application form sought information on rateable value and was clear about the rateable values that applied under the main scheme. The principle of which businesses should be supported in this discretionary scheme is appropriate as the government would not want a ratepayer in an office with a rateable value of over £15,000 not to get a grant under the main grant scheme, but for a business who was not a ratepayer in the same size property to get a grant under the Discretionary scheme.

- 5.3 There were a number of reasons why applications did not meet the requirements stage, including failure to provide documentary evidence, having an existing business rate assessment, already receiving a grant under the main scheme and having an estimated rateable value above the thresholds.
- 5.4 All organisations that did not meet these requirements were sent an email explaining that their application had been declined. Applicants were given the chance to subsequently provide the necessary documentation or to query the reason for the application being declined. All responses were considered by the Director of Revenues & Benefits, which resulted in a number of applications being re-opened.

6. The Evaluation Stage

6.1 The 527 applications that passed these requirements were split as follows:

- Businesses in shared units	388
- Market Trader	128
- Bed & Breakfast	1
- Charities	10

6.2 Each application was subsequently evaluated by an evaluation panel comprising of officers from within the Revenues & Benefits Service and the Business & Enterprise team. A score was assessed against 3 criteria as referenced within the on-line application: -

- a) The extent of on-going fixed property related costs
- b) How the crisis has affected the income of the business
- c) How the business benefits Westminster's residents

6.3 The scores were averaged and each application was put into a league table format. It is proposed that the first 358 organisations (as shown at Appendix A) that scored 7.5 or above are awarded a grant (subject to pre-payment checks as outlined in section 6.5 of this report). This will leave 41 grants to be subsequently awarded.

6.4 By retaining 41 grants for future award will allow the Council to address any applications that have not been awarded a grant through no fault of their own, e.g. through illness of the applicant / family member or by documentary evidence being delayed from third parties ,e.g. from landlords. It will also allow

cases that have been extracted from the application process for further checks to be reconsidered once the appropriate checks have been completed. These claims will subsequently be evaluated in line with those that met the mandatory requirements but which were evaluated at a score below 7.5. A separate short report will then be made to the Cabinet Member for Finance, Property and Regeneration in a few weeks' time to award the remaining 41 grants.

6.5 The government accepts that there is a significant risk of fraud relating to the Discretionary scheme, primarily as the applicants are not recorded within our NNDR data. However, the council has sought to mitigate this risk through requesting documentary evidence to support applications. It is additionally planned to undertake post award pre-payment checks. If an application fails the pre-payment checks, a payment will not be made and an additional award will be made under the process outlined in 6.4 of this report.

6.6 As outlined in the Cabinet Member report which set the scheme, there is no appeal process for applicants, other than via Judicial Review.

7. Legal Implications

7.1 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 2011. 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.

7.2 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.

8. Financial Implications

8.1 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.

8.2 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.

9. Ward Member Comments

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

10. Outstanding Issues

10.1 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

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**

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.