

# URGENT OFFICER DECISIONS-COUNCIL DECISIONS

Monday, 1st June, 2020  
12.38 pm





# URGENT OFFICER DECISIONS- COUNCIL DECISIONS

**Monday, 1st June, 2020 at 12.38 pm**

This agenda gives notice of items to be considered in private as required by Regulations (4) and (5) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Members are reminded that if they have detailed questions on individual reports, they are advised to contact the report authors in advance of the meeting.

Members of the public may ask a question, make a statement, or present a petition relating to any agenda item or any matter falling within the remit of the committee.

Notice in writing of the subject matter must be given to the Head of Governance, Law & Regulation by 5.00pm on the day before the meeting. Forms can be obtained for this purpose from the reception desk at Burnley Town Hall or the Contact Centre, Parker Lane, Burnley. Forms are also available on the Council's website [www.burnley.gov.uk/meetings](http://www.burnley.gov.uk/meetings).

## **AGENDA**

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| <b>1) <i>Local Authority Discretionary Business Grant Scheme - Scheme Amendment</i></b> | <b>3 - 14</b> |
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**PUBLISHED**

1<sup>st</sup> June 2020

ITEM NO

**Local Authority Discretionary Business Grant Scheme – Scheme  
Amendment**

**Report to the Chief Executive**



<b>DATE</b>	<b>27<sup>th</sup> May 2020</b>
<b>PORTFOLIO</b>	<b>Economy &amp; Growth</b>
<b>REPORT AUTHOR</b>	<b>Kate Ingram</b>
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## **PURPOSE**

1. The purpose of the report is to seek approval to amend the Local Authority Discretionary Business Grant Scheme published on 21<sup>st</sup> May following updated guidance from Government

## **RECOMMENDATION**

2. It is recommended that the Chief Executive under urgency powers:
  - a) Approves the amended eligibility criteria and grant rates as set out in Appendix 1 of this report

## **REASONS FOR RECOMMENDATION**

3. On 2nd May the Government announced additional funding – the Local Authority Discretionary Grant Scheme - to support small businesses that fell outside of the criteria of the Small Business Grant and Retail, Hospitality and Leisure Grant funding announced in March. Burnley Council agreed and published its scheme on the 21<sup>st</sup> May 2020. The eligibility criteria were based on guidance from government which stated clearly that "businesses that had applied for the HMRC Self Employment Income Support Scheme would not be eligible for a grant under this scheme".
4. On Friday 22nd at 19.28hrs the Government issued revised guidance stating that businesses eligible for a grant from the Self Employment Income Support Scheme (SEISS) will be eligible for the Discretionary Grants. The result is that some businesses that we had previously assumed would be out of scope will now be eligible meaning that the proposed scheme cannot be delivered within the funding envelope of £1,215,000
5. On Wednesday 27<sup>th</sup> May the Government issued further guidance in the form of a FAQ. This FAQ has provided some clarity with regard to the eligibility of B&B's and this has been reflected in the revised eligibility criteria.

## SUMMARY OF KEY POINTS

6. The approved discretionary scheme, with amendments in bold italics is set out in Appendix 1. The scheme is based on the key priorities set out by government, key sectors in our local economy and on our knowledge of businesses that have been affected by the COVID 19 pandemic but not eligible for other schemes. However, the amount of funding available will not enable the Council to support all the businesses that have fallen through the net and the scheme has been set in such a way as to support the maximum number of businesses with the greatest needs but whilst remaining within an affordability envelope.
7. The main amendment is that, as per guidance issued on 22<sup>nd</sup> May, businesses in receipt of support through the Self Employed Income Support Scheme will be eligible. This will have an impact on the number of businesses eligible for support under the Shared Offices and Workspaces Strand. In order to support these additional businesses, whilst still providing support to key businesses sectors and businesses with very significant fixed capital overheads, it is proposed to amend the criteria for determining the size of the award.
8. Grants, under the Shared Offices and Workspaces Strand, will be determined by and be equal to three months rental payments for the three months commencing 11th March 2020. The government guidance and FAQ states that whilst it is for local authorities to determine their own scheme as the guidance, that the funding is primarily aimed at businesses with **high** ongoing fixed property-related costs. The minimum grant awarded will be £1000 and businesses with lower fixed property costs of less than £1000 will therefore not be eligible.
9. The approved Council scheme included grants to B&Bs as follows:

“B&B’s that have not received support through the RHL scheme will be eligible for a grant a grant of £5,000 where they have up to five guest rooms and £10,000 where they have more than five guest rooms.

The FAQ, issued on the 27<sup>th</sup> May clarifies that to be registered for council tax, B&B’s must have fewer than 6 bed spaces (B&B’s with more than six bed spaces should be registered for business rates and eligible for support through the Retail, Hospitality and Leisure Grant) and, that properties should be wholly or mainly used as guest or boarding premises. The local grant criteria, set out in Appendix 1, have been amended to reflect this and some supplementary questions will be added to the application form. It is estimated that two businesses previously in scope will no longer be eligible.

## **FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

10. The funding is capped at 5% of the eligible spend reported on 4<sup>th</sup> May, that is £1,215,000. The Council will not make awards in excess of this amount and this has now been added to the eligibility criteria.

11. The scheme criteria have been checked against potentially eligible businesses. There are 94 businesses that have a rateable value of between £15,000 and £51,000, and subject to meeting other criteria and providing a business case would be eligible for a grant. A list has been compiled of charitable organisations that are in receipt of charitable relief and were therefore not eligible for a Small Business Grant (some are eligible for a grant under the Retail, Leisure and Hospitality scheme). Based on the proposed sliding scale this would amount to £106,500 of grant. Using the new criteria it is estimated that there are 3 potentially eligible B&B's and a boat hire business. Total grants for these, using the criteria set would be a maximum of £20,000. This leaves a head room of £118,500 for businesses that are in shared offices and workplaces. It is expected, and this reflects the guidance provided by government, that many of these grants will be very small.

## **POLICY IMPLICATIONS**

12. The decision supports the Council's strategic priorities for economy and growth.

## **DETAILS OF CONSULTATION**

- 13. Cllr Gordon Birtwistle, Executive Member for Economy and Growth
- 14. Cllr Charlie Briggs, Leader of the Council
- 15. Cllr Mark Townsend, Leader of the Labour Group
- 16. Cllr Dale Ferrier, Leader of the Conservative Group
- 17. Cllr Andy Fewings, Leader of the Green Group
- 18. Asad Mushtaq, Head of Finance and Property (s151 officer).

## **BACKGROUND PAPERS**

19. None

## **FURTHER INFORMATION**

**PLEASE CONTACT:**

**Kate Ingram Ext 7271**

**ALSO:**

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## Local Authority Discretionary Business Grant Scheme Criteria and Application Process

In recognition that some businesses did not benefit from the Small Business Grants and Retail, Leisure and Hospitality Grants, the Government has made available to Burnley Borough Council a sum of £1,215,000 (that is 5% of the amount available for the above schemes) to provide a Discretionary Business Grant scheme. The criteria and application process for the Burnley Discretionary Grant scheme are set out in this document.

### 1. Core Eligibility Criteria

The Local Authority Discretionary Grant Fund is aimed at small businesses who were not eligible for the Small Business Grant Fund or the Retail, Leisure and Hospitality Fund ~~or that have applied to the HMRC Self Employed Income Support Scheme.~~

Businesses who have applied for the Coronavirus Job Retention Scheme are eligible to apply for this scheme.

***Businesses that have applied to the HMRC Self Employed Income Support Scheme are eligible to apply to this scheme***

Only businesses which were trading and in occupation of premises on 11 March 2020 are eligible to apply for funding under this scheme.

Companies that are in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme

Businesses must not employ more than 50 people and be Small or micro businesses, as defined in Section 33 Part 2 of the Small Business, Enterprise and Employment Act 2015 and the Companies Act 2006. The Council may ask a business to provide a copy of its payroll, as at 11<sup>th</sup> March 2020, as evidence.

Businesses will only be eligible for one grant irrespective of the number of hereditaments that they occupy.

### 2. Priority Businesses identified by government

The Government has identified the following types of businesses as priorities for this grant:

- 1. Businesses in shared offices, workspaces and premises where they do not have their own business rates assessment or where it is paid by the landlord.*** To be eligible businesses must have a premises lease on the 11<sup>th</sup> March of at least 12 months and occupy premises where the landlord is the liable party for business rates. The business must also be able to demonstrate that it has been impacted by the COVID 19. The grants will be assessed on a written statement from the businesses setting out how COVID 19 has impacted on the business, together with a financial statement, prepared and signed by a qualified accountant, setting out the businesses actual and predicted income over the period 11<sup>th</sup> March 2020 to end May 2020 compared with the same period last year. ***Grants will be awarded between £1,000 and £10,000 will be determined by and be equal to three months rental payments for the three months commencing 11th March 2020. The minimum grant awarded will be £1000 and businesses with lower fixed property costs of less than £1000 will therefore not be eligible.***

**Market Traders** – all traders at Burnley Market occupy separate units with their own business rates valuation and as such should have received grants under the other schemes.

**Bed and Breakfasts** – B&B's that have not received support through the RHL scheme ***will be eligible for a grant of £5,000 where they have up to six bed spaces.*** The business must be able to demonstrate that they have been impacted by COVID 19 ***and provide evidence, for example a change of use notice, or a fire certificate, that demonstrates that the property is used wholly or mainly as guest or boarding premises.*** The grants will be assessed on a written statement from the businesses setting out how COVID 19 has impacted on the business, together with evidence showing room bookings over the period 11<sup>th</sup> March 2020 to end May 2020 compared with the same period last year.

**Charities** – for those charities that are currently in receipt Charitable Relief that would otherwise be eligible for small business rates relief. To be eligible the charities would need to demonstrate that their ability to operate and raise funds has been significantly affected by COVID 19 or that they have had additional pressures as a result of COVID 19. A sliding scale of grant based on rateable value (RV) is proposed as follows:

Up to £2,500; £1000 grant

£2,501 - £5,000; £2,500 grant

£5,001 – 10,000; £5,000 grant

£10,001 - £14,999; £10,000 grant

### **3. Local Discretionary Element**

Businesses meeting the following criteria and the core criteria will be eligible:

Small and Micro Businesses Occupying Premises with a Rateable Value of between £15,000 and £51,000 and;

operate in priority sectors or where they have experienced significant disruption

- Manufacturing and Engineering
- Digital/Creative
- Hospitality and Leisure businesses and supply chain (not eligible under RHL)
- Professional Services
- Non Statutory Education Services
- Construction/construction industry supply chain

Where businesses can evidence that they had to completely close as a result of COVID 19, where either trading on-line or remotely (e.g. homeworking) is not a feasible alternative they may be eligible for a grant of £25,000. These grants will only be awarded in exceptional circumstances based on a written statement from the business setting out why they have not been able to trade together with a written financial statement, prepared and signed by a qualified accountant, setting out the businesses actual

and predicted income over the period 11<sup>th</sup> March 2020 to end May 2020 compared with the same period last year.

Where businesses have been able to continue trading either from their existing premises, on line or remotely, but can provide evidence that their business has been impacted by COVID 19 as a result of: supply chain interruption, a significant reduction in demand from customers/clients, a reduction in output due to staff not being able to work, or a significant reduction in output due to the implementation of social distancing measures they may be eligible for a grant of £10,000. The grants will be assessed on a written statement from the businesses setting out how COVID 19 has impacted on the business, together with a financial statement, prepared and signed by a qualified accountant, setting out the businesses actual and predicted income over the period 11<sup>th</sup> March 2020 to end May 2020 compared with the same period last year.

Small and Micro businesses operating canal boat hire/canal cruise businesses, although not paying business rates these businesses do have fixed overheads in terms of mooring fees and boat licences. These businesses would need to demonstrate a significant drop in income compared to the same period last year and have an up to date CRT Business licence and would be eligible for a grant of £5,000.

#### **4. How to Apply?**

Businesses should apply by completing the on-line application form on the Council's web site (INSERT LINK). Applicants need to ensure that they have answered all the relevant questions and submit all the supporting documentation to enable the Council to process applications.

***The Council only has a limited amount of funding for this scheme of £1,215,000 and once this funding is allocated the scheme will close.***

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# URGENT DELEGATED DECISION BY THE CHIEF EXECUTIVE

BURNLEY TOWN HALL

## PRESENT

**OFFICERS** Chris Gay - Governance Manger

<b>7. LOCAL AUTHORITY DISCRETIONARY BUSINESS GRANT SCHEME - SCHEME AMENDMENT</b>
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**Purpose** The purpose of the report is to seek approval to amend the Local Authority Discretionary Business Grant Scheme published on 21<sup>st</sup> May, following updated guidance from Government, using the Chief Executive's urgency powers under Part 3 of the Constitution (Executive Functions).

**Reason For Decision**

1. On 2nd May the Government announced additional funding – the Local Authority Discretionary Grant Scheme - to support small businesses that fell outside of the criteria of the Small Business Grant and Retail, Hospitality and Leisure Grant funding announced in March. Burnley Council agreed and published its scheme on the 21<sup>st</sup> May 2020. The eligibility criteria were based on guidance from government which stated clearly that "businesses that had applied for the HMRC Self Employment Income Support Scheme would not be eligible for a grant under this scheme".
2. On Friday 22nd at 19.28hrs the Government issued revised guidance stating that businesses eligible for a grant from the Self Employment Income Support Scheme (SEISS) will be eligible for the Discretionary Grants. The result is that some businesses that we had previously assumed would be out of scope will now be eligible
3. On Wednesday 27<sup>th</sup> May the Government issued further guidance in the form of a FAQ. This FAQ has provided some clarity with regard to the eligibility of B&B's and this has been reflected in the revised eligibility criteria.

Decision

That the Chief Executive exercise his urgency powers under Part 3 of the Constitution (Executive Functions):

- a) Approves the amended eligibility criteria and grant rates as set out in Appendix 1 of the report

The decision is an urgent key decision, and in order to implement the amendment to the scheme from 1st June 2020 is not subject to call-in, as agreed by the Chair of Scrutiny, in accordance with Part 4.5 of the constitution.

Decision made by: Chief Executive



Date: 1st June 2020

Decision Published on: 1st June 2020