

Record of individual Cabinet member decision

Local Government Act 2000 and the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

Decision made by	Councillor Leigh Rawlins, Cabinet Member for Finance
Key decision?	<p>Yes</p> <p>Acceptance of the receipt will not commit the council to any other additional unbudgeted expenditure over and above the £1,157,250 received.</p> <p>Call-in will be requested to be waived by Scrutiny Committee chairman due to Government requiring the grants to open and weekly updated reports to be provided by 1 June 2020</p>
Date of decision (same as date form signed)	27 May 2020
Name and job title of officer requesting the decision	Melanie Smans, Economic Development & Active Communities Manager
Officer contact details	<p>Tel: 07801 203542</p> <p>Email: melanie.smans@southandvale.gov.uk</p>
Decision	<p>To approve the eligibility and funding level to distribute the Local Authority Discretionary Grants Fund as outlined in full in Appendix A and to delegate the authority to award grants to the Acting Deputy Chief Executive – Place jointly with the Head of Finance.</p> <p>As per the Guidance (13 May 2020) which outlines national eligibility criteria and allows local authority discretion for prioritising applications, a business is eligible for a grant if:</p> <ol style="list-style-type: none"> 1. The business was trading on 11 March 2020; AND 2. The business is a small or micro business, as defined in Section 33 Part 2 of the Small Business, Enterprise and Employment Act 2015 and the Companies Act 2006, <ol style="list-style-type: none"> a. To be a small business, under the Companies Act 2006, a business must satisfy two or more of the following requirements in a year— <ul style="list-style-type: none"> • Turnover: Not more than £10.2 million • Balance sheet total: Not more than 5.1 million • Number of employees: a headcount of staff of less than 50

b. To be a micro business, under the Companies Act 2006, a business must satisfy two or more of the following requirements—

- Turnover: Not more than £632,000
- Balance sheet total: Not more than £316,000
- Number of employees: a headcount of staff of not more than 10

AND

3. The business, on 11 March 2020, occupied a shared office, flexible workspace or individual unit located in the South Oxfordshire district which did not have its own business rates assessment on 11 March 2020. This includes but is not limited to units in industrial parks, science parks, incubators and business parks
OR

- a. Is a Bed & Breakfast which pays Council Tax instead of business rates, OR
- b. Is a charity property in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief

4. The business can demonstrate that they have suffered a significant fall in income due to the COVID-19 crisis; AND

5. The business with relatively high ongoing fixed property-related costs; AND

6. The business has not had rent waived for three or more months during the period 1 March 2020 to 31 May 2020, AND

7. The business occupies property, or part of a property, with a rateable value or annual rent or annual mortgage payments below £51,000.

Businesses meeting all eligibility criteria and defined as a small business may receive a grant of £10,000.

Businesses meeting all eligibility criteria and defined as a micro business may receive a grant of £5,000.

Applications will be scored on the following criteria:

1. The percentage of monthly/annual expenditure is fixed property-related costs (rent, utilities etc).
2. 'Significant fall in income' – the percentage of income loss 1 March - 31 May 2020 compared to 1 March – 31 May 2019.

	<p>3. The number of employees. 4. Supply chain impact – Businesses whose predominant sales are business-to-business, not business-consumer.</p> <p>Refer to Appendix A for further explanation and Appendix B for the online application form questions</p>
<p>Reasons for decision</p>	<p>In response to the Coronavirus, the government announced support for businesses through the Small Business Grant Fund (SBGF) and the Retail, Leisure and Hospitality Grant Fund (RHLGF). The district council received £27,494,000 of grant funding for the two schemes.</p> <p>On 1 May 2020 the government announced the Local Authority Discretionary Grants Fund (DGF) which is aimed at small businesses who were not eligible for the SBGF or RHLGF, specifically:</p> <ol style="list-style-type: none"> 1. Small businesses in shared offices or other flexible workspaces 2. Charity properties in receipt of charitable business rate relief which would otherwise have been eligible for the Small Business Rates Relief or Rural Rate Relief 3. Bed & Breakfasts which pay Council Tax instead of business rates; and 4. Regular market traders with fixed building costs, such as rent, who do not have their own business rates assessment. <p>The DGF is to be administered by local authorities. A letter dated 20 May 2020 from BEIS confirmed the total funding available for the South Oxfordshire District Council is £1,157,250. This is a percentage of the unspent residual funds from the SBGF and RHLGF.</p> <p>On 13 May 2020 the government released guidance is to support local authorities in administering the DGF and sets out the national criteria and priorities which local authorities should consider when administering the fund. Clause 24 of the guidance outlines the government’s ask of local authorities to prioritise the previously stated four types of businesses for grants. The only discretion afforded to the council is to decide how to prioritise applications based on the guidance, and the size of the grants.</p> <p>It is proposed that small businesses will receive a £10,000 grant to be consistent with the SBGF. Micro businesses will receive a £5,000 grant as this is the approximate average cost of three months’ rent in a shared space. This two-level approach will allow the council to ensure the largest number of businesses receive a reasonably sized grant that will supporting business recovery and safeguard local jobs.</p>

	<p>The government is clear that the DGF is to support businesses ineligible for other government grants with the minimal unspent residual funds from the SBGF and RHLGF.</p>
<p>Alternative options rejected</p>	<p><i>Prioritising regular market traders with fixed building costs who do not have their own business rates assessment.</i> This option was rejected as the district does not have a relevant static market establishment like the covered market in Oxford City Centre or the Borough market in London.</p> <p><i>Expanding eligibility criteria to retail and manufacturing businesses.</i> Following the 1 May 2020 announcement, the government has widely promoted the four types of businesses which are eligible for the DGF. It is now the expectation of businesses that those in serviced offices, B&BS and those in charity properties will be eligible for the grant. Section 20 of the guidance uses the words '<i>primarily and predominantly aimed at</i>'. Advice from BEIS is that the language was intentional to give local authorities some discretion but implies that exceptions should be minimised.</p>
<p>Legal implications</p>	<p>Grant recipients will be required to sign and return a on line letter of acceptance including the terms on which the council is offering the grant funding and the requisite State Aid declaration before the funds are released to minimise risk of funds being provided in error or as a result of fraud</p>
<p>Financial implications</p>	<p>There are approximately 6,587 businesses that are defined as a small or micro business. This means that approximately less than 5% of eligible businesses may receive a grant.</p> <p>Fraud checks can be completed as part of the New Bank Account Verification and Validation Service for Sole Traders/Individuals that the national anti-fraud network is rolling out. The application form declaration will be GDPR compliant and advise that their details will be verified with credit referencing agencies to confirm account validity and identity.</p> <p>There will be no financial implications for the council as Clause 11 of the guidance states 'we are committed to meeting the delivery costs to local authorities for this scheme and will need associated "New Burdens costs"'. </p>
<p>Other implications</p>	<p>There is a reputational risk should the council not open the grant scheme on 1 June 2020 and make grant payments thereafter. The council is required to report on the progress in developing and delivering DGF weekly to BEIS.</p>
<p>Background papers considered</p>	<p>Local Authority Discretionary Grants Fund Guidance for Local Authorities (13 May 2020) and FAQs</p>

Declarations/conflict of interest? Declaration of other councillor/officer consulted by the Cabinet member?	Nil			
List consultees		Name	Outcome	Date
	Cabinet member for economic development and regeneration	Robin Bennett	Support.	26/05/2020
	Ward councillors			
	Legal	Pat Connell	Highlight need for applicant to sign and return acceptance letter to reduce the risk of fraud	26/05/2020
	Finance	Simon Hewings	Support. Minor edits	26/05/2020
	Human resources	NA		
	Sustainability	NA		
	Diversity and equality	NA		
	Communications	Shona Ware	Support.	26/05/2020
	Senior Management Team	NA	Support. Minor edits	27/05/2020
Confidential decision? If so, under which exempt category?	No			
Call-in waived by Scrutiny Committee chairman?	Yes via email – 27/05/2020			
Has this been discussed by Cabinet members?	Yes – discussions with cabinet member for finance, cabinet member for development and regeneration, and Cabinet member for legal and democratic.			
Cabinet portfolio holder's signature To confirm the decision as set out in this notice.	Signature ____ Councillor Leigh Rawlins ____ Date _____ 27 May 2020 _____			

ONCE SIGNED, THIS FORM MUST BE HANDED TO DEMOCRATIC SERVICES IMMEDIATELY.

For Democratic Services office use only		
Form received	Date: 27 May 2020	Time: 13:45
Date published to all councillors	Date: 27 May 2020	
Call-in deadline	Call-in waived by Scrutiny Committee Chair 27 May 2020	

Guidance notes

1. This form must be completed by the lead officer who becomes the contact officer. The lead officer is responsible for ensuring that the necessary internal consultees have signed it off, including the chief executive. The lead officer must then seek the Cabinet portfolio holder's agreement and signature.
2. Once satisfied with the decision, the Cabinet portfolio holder must hand-sign and date the form and return it to the lead officer who should send it to Democratic Services immediately to allow the call-in period to commence.
Tel. 01235 422520 or extension 2520.
Email: democratic.services@southandvale.gov.uk
3. Democratic Services will then publish the decision to the website (unless it is confidential) and send it to all councillors to commence the call-in period (five clear working days) if it is a 'key' decision (see the definition of a 'key' decision below). A key decision cannot be implemented until the call-in period expires. The call-in procedure can be found in the council's constitution, part 4, under the Scrutiny Committee procedure rules.
4. Before implementing a key decision, the lead officer is responsible for checking with Democratic Services that the decision has not been called in.
5. If a key decision has been called in, Democratic Services will notify the lead officer and decision-maker. This call-in puts the decision on hold.
6. Democratic Services will liaise with the Scrutiny Committee chairman over the date of the call-in debate. The Cabinet portfolio holder will be requested to attend the Scrutiny Committee meeting to answer the committee's questions.
7. The Scrutiny Committee may:
 - refer the decision back to the Cabinet portfolio holder for reconsideration or
 - refer the matter to Council with an alternative set of proposals (where the final decision rests with full Council) or
 - accept the Cabinet portfolio holder's decision, in which case it can be implemented immediately.

Key decisions: assessing whether a decision should be classified as 'key'

The South Oxfordshire and Vale of White Horse District Councils' Constitutions now have the same definition of a key decision:

A key decision is a decision of the Cabinet, an individual Cabinet member, or an officer acting under delegated powers, which is likely:

- (a) to incur expenditure, make savings or to receive income of more than £75,000;**

- (b) to award a revenue or capital grant of over £25,000; or**
- (c) to agree an action that, in the view of the chief executive or relevant head of service, would be significant in terms of its effects on communities living or working in an area comprising more than one ward in the area of the council.**

Key decisions are subject to the scrutiny call-in procedure; non-key decisions are not and can be implemented immediately.

In assessing whether a decision should be classified as 'key', you should consider:

- (a) Will the expenditure, savings or income total more than £75,000 across all financial years?
- (b) Will the grant award to one person or organisation be more than £25,000 across all financial years?
- (c) Does the decision impact on more than one district council ward? And if so, is the impact significant? If residents or property affected by the decision is in one ward but is close to the border of an adjacent ward, it may have a significant impact on that second ward, e.g. through additional traffic, noise, light pollution, odour. Examples of significant impacts on two or more wards are:
 - Decisions to spend Didcot Garden Town funds (significant impact on more than one ward)
 - Changes to the household waste collection policy (affects all households in the district)
 - Reviewing a housing strategy (could have a significant impact on residents in many wards)
 - Adopting a supplementary planning document for a redevelopment site (could significantly affect more than one ward) or a new design guide (affects all wards)
 - Decisions to build new or improve existing leisure facilities (used by residents of more than one ward)

The overriding principle is that before 'key' decisions are made, they must be published in the Cabinet Work Programme for 28 calendar days. Classifying a decision as non-key when it should be a key decision could expose the decision to challenge and delay its implementation.