



**Melton
Borough
Council**

Record of Cabinet Portfolio Holder Decision

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

Decision made by	Portfolio Holder for Growth and Prosperity
Decision Title	Interpretation of guidance and eligibility for Grant Small Business Grant (SBG) and Retail, Hospitality and Leisure Grants (RHLG) funding schemes
Key decision?	Yes
Date of decision (same as date form signed)	7 May 2020
Name and job title of Officer requesting the decision	Lee Byrne – Regeneration Manager
Officer contact details	lbyrne@melton.gov.uk
Decision	<p>To exercise the discretion provided within Government guidance to help local businesses with the SBG and RHLG Schemes in the following ways:</p> <ol style="list-style-type: none">1) Subject to appropriate evidence being provided, authority to update the Council's records to show new liable party(ies) to enable them to receive any grants they are eligible for;2) Subject to appropriate evidence being provided, authority to enable the Council to pay grants to businesses who have not complied with the process to ensure their properties have a rateable value but should have had one before the 11 March 2020
Reason for Decision	The purpose of the government grant is to support those businesses that have been adversely impacted by the Covid-19 measures

that have been put in place at the national level.

Whilst government criteria has provided a solid foundation upon which to assess eligibility for a majority of cases there are some scenarios where local discretion needs to be used.

Eligibility for the government grants released in response to the impact of the COVID-19 response is awarded to those hereditaments which were eligible to small business rates relief; rural rate relief or the extended retail rate relief on 11/03/2020 (The date the schemes were announced in the budget).

Not unsurprisingly there have been a number of issues that businesses have raised regarding their eligibility and the award of the grant. Two main issues have arisen and the Council has identified these below. Following consideration of the guidance provided by government, conversations with BEIS and subsequent discussions with other local authorities the council has decided to take the following approaches to these 2 scenarios.

1) Business stating they were the occupier prior to the 11/03/20 but they are not showing on the Council's rate systems as being the occupier

Decision: Once the Council has received sufficient evidence that the business was occupied prior to the 11 March 20 and meets all the other eligibility criteria, then the Council using the discretion available will award the appropriate grant.

2) Business stating they were in a property prior to the 11/03/20 but the property is not on the rating list for the Melton area on this date and has yet to be brought in by the Valuation Office.

Decision: Once the Council has received sufficient evidence that the new hereditament could have correctly been on the rating list prior to the 11 March 20 (if the Council and the Valuation Office Agency had been made

	<p>aware) and the business occupying the property had met all the other eligibility in the guidance,) then the Council will award the appropriate grant subject to receiving the following information:</p> <ul style="list-style-type: none"> - They were occupying the premise and open to trade before the 11 March 2020 - That they have been assigned a case number from the VOA indicating the property will receive a rate number in due course. - They provide evidence of the size of the property they are claiming the grant against. - That they would be considered the liable party for the RV should they be in place - Landlord confirmation to identify the evidence provided is accurate and true. <p>For those cases that fall within this category the Council will only award a grant of £10,000 until such time as the Council are notified of the correct rateable value and any adjustments will be made at this point if required</p> <p>These approaches provide a pragmatic and balanced approach to the challenges being faced when allocating government grants to businesses. They enable the Council to support the wider business community where possible whilst also minimising the financial risk to the Council.</p>
<p>Alternative options rejected</p>	<p>Following discussions with wider Local Authority networks it became clear there is no one size fits all approach to how these specific instances are being dealt with and they are using their discretions to suit their local circumstances.</p> <p>Decision one: The 1st decision to replace like for like claims and update our records following the provision of sufficient evidence is in line with Govt guidance and therefore no other options have been considered.</p> <p>Decision two:</p> <p>3 other options where considered</p>

	<ol style="list-style-type: none"> 1) We do not pay the grant at all due to the fact that as of the 11 March 2020 these buildings were not on the rating list and had not been submitted to the VOA to be on the ratings list – rejected - these businesses would have otherwise been eligible had it not have been for this oversight in informing the VOA and was likely to cause businesses to experience significant hardship 2) The Council waits for the properties to be brought into the rates list – Rejected as it was felt that due to the amount of work the VOA have to undertake this would take a significant amount of time by which the businesses in question would again experience significant hardship. 3) The Council looks to include these businesses as part of the top up grant scheme announced on 1 May 2020. Rejected – this was rejected due to uncertainty in regards to time lines to receiving guidance on the new grant scheme and the amount of funding we are likely to receive.
<p>Legal implications</p>	<p>The Council has the power to award grants to organisations using its general power of competence in section 1 of the Localism Act 2011. In exercising the power the Council must satisfy its public law duties. In essence this means that in making the decision the Council must have taken into account only relevant considerations, followed procedural requirements, acted for proper motives and not acted unreasonably.</p> <p>The eligibility criteria for these grants must be met as per Government Guidance before a grant is processed.</p> <p>Taking decisions outside of the Guidance may result in financial implications for the Council.</p>
<p>Financial implications</p>	<p>The final amount of grant that would be awarded under this decision is not known but is likely to be in the region of £300k for Decision 2.</p>

	<p>Decision 1 is of low risk as the criteria aligns to the original guidance</p> <p>Decision 2 is a higher risk of not being eligible for the cost to be met from the government as they have stated in the guidance that the businesses must be registered by 11 March 20. The council is required to provide specific details of each grant paid out and should the government not allow these payments then the council would need to finance this from its own reserves which are already under pressure due to the additional expenditure and income that is being lost as a result of COVID.</p> <p>Following further discussion with neighbouring local authorities it has been established that others are taking this approach and paying grants to those businesses who should have been in receipt of an RV before 11 March 2020</p> <p>Payments made as a result of the implementation of decision 2 will be monitored regularly to ensure the financial impact of this decision is manageable and stays within the original grant allocation received from central govt.</p> <p>It has been confirmed in writing to the Council that where a council does not utilise all of its original allocation through the existing grant schemes (SBG and RHLG) this underspend should be used to finance the new discretionary scheme announced by govt on the 1 May 2020. Additional funding will only be made available where a Local Authority does not have sufficient remaining funds to meet the costs of this additional 5% discretionary grant fund.</p>			
Other implications	None			
Background papers considered	n/a			
Declarations/conflict of interest?	n/a			
List consultees		Name	Outcome	Date
	Ward Councillors			
	Legal	Adele Wylie		4 May 20

	Finance	Dawn Garton		6 May 20
	Human Resources	N/A	N/A	N/A
	Equalities	N/A	N/A	N/A
	Communications	Comms		7 May 20
Confidential Decision?	No			
Call In Waived by Scrutiny Committee Chair?	Yes			
Has this been discussed by Cabinet Members?	Yes			
Cabinet Portfolio Holder Signature	Councillor Leigh Higgins (By email) 7 May 2020			

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

FOR DEMOCRATIC SERVICES USE ONLY		
Form Received	07/05/20	
Date published to all Councillors	07/05/20	
Call In Deadline	N/A General Exception	