



## **Audit and Standards Advisory Committee – Supplementary Agenda**

**Tuesday 5 May 2020 at 6.00 pm**

This will be held as an online virtual Meeting

### **Membership:**

#### **Members**

David Ewart (Chair)

#### **Substitute Members**

#### **Councillors:**

A Choudry (Vice-Chair)

Donnelly-Jackson

Hassan

Long

Naheerathan

Nerva

Kansagra

#### **Councillors:**

S Choudhary, Colacicco, Kabir, Lo and Perrin

Councillors:

Colwill and Maurice

#### **Independent Members**

Robert Cawley

Karen McArthur

Margaret Bruce

#### **Independent Advisor**

Vineeta Manchanda

**For further information contact:** James Kinsella, Governance Officer

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For electronic copies of minutes, reports and agendas, and to be alerted when the minutes of this meeting have been published visit: [www.brent.gov.uk/committees](http://www.brent.gov.uk/committees)

**The press and public are welcome to attend this as an online virtual meeting. The link to view the meeting is available [HERE](#)**

### **Notes for Members - Declarations of Interest:**

If a Member is aware they have a Disclosable Pecuniary Interest\* in an item of business, they must declare its existence and nature at the start of the meeting or when it becomes apparent and must leave the room without participating in discussion of the item.

If a Member is aware they have a Personal Interest\*\* in an item of business, they must declare its existence and nature at the start of the meeting or when it becomes apparent.

If the Personal Interest is also significant enough to affect your judgement of a public interest and either it affects a financial position or relates to a regulatory matter then after disclosing the interest to the meeting the Member must leave the room without participating in discussion of the item, except that they may first make representations, answer questions or give evidence relating to the matter, provided that the public are allowed to attend the meeting for those purposes.

### **\*Disclosable Pecuniary Interests:**

- (a) **Employment, etc.** - Any employment, office, trade, profession or vocation carried on for profit gain.
- (b) **Sponsorship** - Any payment or other financial benefit in respect of expenses in carrying out duties as a member, or of election; including from a trade union.
- (c) **Contracts** - Any current contract for goods, services or works, between the Councillors or their partner (or a body in which one has a beneficial interest) and the council.
- (d) **Land** - Any beneficial interest in land which is within the council's area.
- (e) **Licences** - Any licence to occupy land in the council's area for a month or longer.
- (f) **Corporate tenancies** - Any tenancy between the council and a body in which the Councillor or their partner have a beneficial interest.
- (g) **Securities** - Any beneficial interest in securities of a body which has a place of business or land in the council's area, if the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body or of any one class of its issued share capital.

### **\*\*Personal Interests:**

The business relates to or affects:

- (a) Anybody of which you are a member or in a position of general control or management, and:
  - To which you are appointed by the council;
  - which exercises functions of a public nature;
  - which is directed is to charitable purposes;
  - whose principal purposes include the influence of public opinion or policy (including a political party or trade union).
- (b) The interests of a person from whom you have received gifts or hospitality of at least £50 as a member in the municipal year;

or

A decision in relation to that business might reasonably be regarded as affecting the well-being or financial position of:

- You yourself;
- a member of your family or your friend or any person with whom you have a close association or any person or body who is the subject of a registrable personal interest.

# Supplementary Agenda

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<b>4 Addendum to Emergency Planning response on COVID 19 – Update on Business Support</b>	1 - 4

Attached is an addendum to the report on the main agenda which includes an update on the arrangements for Business Support grants as part of the emergency planning response on COVID 19.

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## **Appendix 4 (Addendum) – Update on Business Support**

### **1.0 Business Support Grants**

- 1.1 Government support relating to Business ratepayers falls into two categories direct grants and extended retail relief. This briefing deals with the direct grants and the progress made in getting the payments to the businesses. These grants are:
- £10k to small business ratepayers with RV (rateable value) under £15k
  - £25k to small business ratepayers with RV (rateable value) over £15k up to £51k
  - Standard state aid rules will apply to these grants, i.e. national chains not eligible, €800,000 limit.

### **Auditable Process**

- 1.2 There was and remains a clear imperative to make these payments as quickly as possible. Nevertheless, checks and rules were needed to ensure while making payments rapidly safe guards are in place to minimise fraud and error. Our revenue team coordinated the work with Capita and worked with audit in its development. Samples have been provided to audit for testing, this testing is ongoing.
- 1.3 It was decided that all grants are paid by BACS and only made once the ratepayer has completed an online form that includes a declaration that they are entitled the grant. This data has been gathered by Brent's service provider (Capita) via two online forms on the website. The following checks take place:
- 1.4 The data from the online forms is converted every 48 hours to a spreadsheet in readiness for validation and processing with the following checks taking place:
- that the correct Grant amount, £10,000 or £25,000 is showing on the account.
  - name on application matches Business Rates record.
  - if a Limited company, check Companies House to ensure the company is still active and not in liquidation / administration/receivership or dissolved.
  - that the information on the document management system (View360) to see if any correspondence has been received which might affect their entitlement, e.g. notification of vacation
  - the notebook on V360 for any telephone contact which might supply key information about liability
  - A check is carried out, so the bank account name matches Business Rates liability name on the system.
  - The correct level of grant is selected either £10k or £25k.
  - Successfully prepared refunds will be checked and authorised by Senior Officers and Line Managers.
- 1.5 Update runs are processed Monday and Wednesday evenings to create the payments. With records of the number and value recorded. A sample has been provided for review by audit.

## Payments

- 1.6 The grants are processed every Monday and Wednesday via the Business Rates system. The payments are processed by BACS on the next working day and the payment will land in the ratepayers' account two working days later, i.e. on Thursdays and Mondays. The first payments were processed on Friday 3 April with the payments arriving in the ratepayer's bank accounts on Wednesday 8 April. The current estimated value to be paid out (£65.875m) is slightly higher than the amount received in advance of £64.4m. Therefore, it is expected government will reimburse the council once all the payments have been made. The table below shows the current position:

Processed date	SBG	RHL <£15k	RHL >£15k	Total Number processed	Value £m
Total Paid	1496	169	938	2,603	40.125

Estimated Total	2,852	353	1,353	4,558	65.875
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Paid into account	
63.66%	Total by value
57.11%	Total by volume

- 1.7 In addition, 651 cases are subject to validation with the ratepayer that are being worked through. The payment of these would increase the total from 2,603 to 3,254.

## Hard to reach

- 1.8 This however does mean there is a cohort of around 1,000 businesses that are still to provide details so payments can be made. Our approach started with social media and communications to promote the grants and over the next two weeks to reach the remaining businesses the following will happen:
- officers targeting businesses directly
  - a direct mail campaign
  - a targeted text and email campaign
  - ongoing use of social media

## Differing processes borough to borough

- 1.9 Each council in London made its own decision on how to process these grants. While the government required these to be done quickly there was also a clear requirement to make them in a controlled, auditable way and in such a way as to allow for reconciliation. The approach agreed upon in Brent ensures that there is a record of the payment on the system for NNDR (Academy) and that payments are made direct from the council's bank account. This means each payment on Academy matches a payment from the council's bank account.

- 1.10 Other boroughs have chosen other methods, including the use of cheque payments. It was not thought that cheque payments were sufficiently secure nor practical given that many businesses have closed the premises to which cheques would be sent. Nevertheless, it has been the case that some boroughs making cheque payments have been able to make more payments more quickly by simply issuing a cheque to the named account holder. As above this was not our chosen process and we now have the advantage of not having uncashed or wrongly addressed cheques.

## **2.0 MHCLG Funding**

- 2.1 On 19 March, the government announced £1.6bn of funding for local government. The allocation methodology was split with £210m allocated by the 2013/14 Settlement Funding Assessment (SFA) and £1,390m allocated using the current Relative Needs Formula for Adult Social Care. The councils allocation was £9.3m.
- 2.2 On 18 April, the government announced an additional £1.6bn of funding for local authorities. The allocation was announced on the 28<sup>th</sup> April and is on a per capita basis, and in two tier areas the split is 65% to counties and 35% to districts. In London, separate arrangements have been made, with the GLA receiving 4% and the boroughs and City of London receiving 96%. The councils allocation is £9.1m.
- 2.3 This now bring the total non – ring-fenced funding for the Covid-19 response to £18.4m for the Council.

## **3.0 Changes to finance practices to rapidly support local care providers**

- 3.1 A major part of the council's response to the Coronavirus pandemic has been targeted to support our local care sector. The support provided so far has been a mixture of direct financial aid where required, "in kind" care provision and the acquisition and distribution of equipment. This support includes:
- Additional annual contract uplifts on top of inflation to Homecare providers, bringing total uplift to 5%.
  - Daycare paid at commissioned levels despite centres being closed.
  - All residential, nursing and supported living placements paid in advance for April, May and June.
  - Payment terms for all Adult Social Care providers changed to immediate payment once the invoice has been received.
  - A Pre-payment of three months in advance can be made to providers who are facing short-term cash flow problems.
  - The Council have purchasing Personal Protective Equipment on behalf of all Adult Social Care providers in Brent. The Council is expecting to spend approximately £2m on this equipment by the end of June 2020.
  - The Council is directly finding and paying for Agency staff to be deployed to care homes who are unable to fill all shifts due to care home staff self-isolating and sickness.
- 3.2 The above interventions required amendments to Core Finance practice. The committee should note the report titled "Proposal for Accelerated Payments due

to COVID-19” that was published on the 20th March as a recordable decision. The Chief Executive, under emergency powers, approved the recommendation required to make these amendments to financial practices.