



30 June 2020

**Report from Strategic Director of
Regeneration and Environment**

**Local Authority Discretionary Grant Scheme criteria
expansion**

Wards Affected:	All
Key or Non-Key Decision:	Non-Key
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	Appendix 1: Local Authority Discretionary Grants Scheme Cabinet Paper 15 June 2020 Appendix 2: Proposed Criteria Expansion
Background Papers:	None
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1.0 Purpose of the Report

1.1 This report sets out the case for expanding the eligibility of the Local Authority Discretionary Grant Scheme by exercising the urgency powers of the Chief Executive as set out in paragraph 9.3.2 of Part 3 of the Council's Constitution.

2.0 Recommendation(s)

2.1 That the Chief Executive exercises her urgency powers to agree the expansion of the Local Authority Discretionary Grant Scheme criteria as outlined in paragraph 3.12 and Appendix 2 of the report and notes that the deadline for the scheme is now extended indefinitely until the funds have been spent.

3.0 Detail

- 3.1 The Local Authority Discretionary Grants Scheme was announced on 1 May 2020 to provide grants to certain small businesses who are outside of the scope of the original Covid-19 business grant schemes (including but not limited to the Small Business Grant Fund and the Retail, Hospitality & Leisure Grant scheme).
- 3.2 Whilst certain eligibility criteria were mandated by government, local authorities retained discretion over other eligibility criteria as well as how to implement the grant scheme.
- 3.3 On that basis, Cabinet approved a scheme for Brent on 15th June 2020. The full Cabinet paper detailing the scheme and its eligibility criteria is attached at Appendix 1.
- 3.4 Brent Council received £3.3m in funding from government, and Cabinet agreed to provide a fixed £5,000 grant to all eligible applicants. On this basis the council has 660 grants to award to eligible businesses.
- 3.5 Since the scheme went live on 16th June 2020, the fund has been undersubscribed.
- 3.6 Current figures as of 11.30am on 29th June 2020 are as follows:
- Total applications started to date: 1,033
 - Total rejected: 442 (of which 371 rejected at Portal stage and 71 rejected at document review stage)
 - Applications still saved in draft: 278
 - Applications submitted and at review stage: 232
 - Applications approved and with Finance for final checks: 88
- 3.7 The window for applications was originally one week (five working days) and was extended to two weeks (10 working days) to allow more businesses to apply. A significant amount of communication work was undertaken to promote the grant scheme, including publications through the council's corporate channels, its bespoke business channels, and through direct communication with businesses wherever possible.
- 3.8 However, the demand for the grant remains lower than expected and it is therefore unlikely that the council will spend its full allocation of grant funding unless the eligibility criteria is expanded.
- 3.9 The council therefore wishes to expand the eligibility criteria of the Local Authority Discretionary Grants Scheme, in order to ensure that the funds provided by government for this purpose are spent accordingly and within an appropriate timescale.
- 3.10 Given that the next Cabinet meeting is not scheduled until 20th July 2020, urgency powers are required to make this decision because:

- 3.10.1 Following the government's announcement that the majority of businesses will be permitted to reopen on 4th July 2020, the council anticipates that these businesses are likely to need upfront funding quickly to enable them to restart their businesses after a prolonged period of enforced closure during lockdown. Waiting till after the 20th July to distribute the grant funding to a wider section of the business community may mean that some businesses are not able to access the support they need in a timely manner which could impact on the viability of the local economy.
- 3.10.2 The government's wish is for local authorities to distribute the grant funding quickly and effectively to support economic recovery.
- 3.11 The fully revised eligibility criteria are outlined in Appendix 2 but the proposed changes can be summarised as follows in 3.12 below.
- 3.12 SMEs will now be eligible to apply even if they are not micro-businesses. This means that any business that meets two of the three following criteria will now be eligible to apply:
- A headcount of staff of up to 50 employees
 - A turnover of up to £10.2m
 - A balance sheet of up to £5.1m
- 3.13 All other eligibility criteria will remain unchanged and businesses must continue to provide appropriate supporting documentation to evidence their eligibility.

4.0 Financial Implications

- 4.1 There are no financial implications to this proposed change. The original Cabinet report anticipated spending the full available budget and the proposed changes recommended in this report will maximise the chances of the funding being spent in full.

5.0 Legal Implications

- 5.1 This report sets out the rationale for a decision to be made to expand the Local Authority Discretionary Grant Scheme criteria by exercising the Chief Executive's urgency powers.
- 5.2 Paragraph 9.3.2 of Part 3 of the Council's Constitution states the following regarding the exercise of the Chief Executive's urgency powers:
"Exceptionally, (including at any time when the Chief Executive is acting as "Gold" on behalf of the London local authorities following the convening of the Strategic Co-Ordinating Group ("Gold Command")) notwithstanding anything in this Constitution, the Chief Executive shall be authorised to exercise either executive or non-executive functions where the matter is urgent unless this is prohibited by law."
- 5.3 Pursuant to paragraph 9.3.3 of Part 3 of the Council's Constitution, if the Chief Executive exercises her urgency powers pursuant to paragraph 9.3.2 (as

referred to in the previous paragraph), she is required to notify, as appropriate, the Leader or Deputy Leader of the Council, the Lead Member with portfolio responsibility for the matter to which the decision relates and the Leader of the Principal Opposition Group of any such action.

5.4 The changes to the Local Authority Discretionary Grant Scheme criteria are all within the discretion of the council and none of the proposed changes to eligibility criteria relate to those mandated by government.

6.0 Equality Implications

6.1 None

Report sign off:

AMAR DAVE

Strategic Director for Regeneration and Environment