

Emergency Committee Agenda

Thursday 27 August 2020 at 11:30 am
The meeting will be conducted virtually via Microsoft Teams

Please click on the link below to view the meeting live:
[Emergency Committee 27 August 2020](#)

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

1. Apologies

To receive any apologies for absence.

2. Declarations of Interest

To receive any declarations of interest from members relating to any item on the agenda, in accordance with the provisions of the Code of Conduct and/or S106 of the Local Government Finance Act 1992.

3. Additional Items of Business

To determine whether there are any additional items of business arising which should be considered at the meeting as a matter of urgency.

Public Item

4. Discretionary Business Grant Scheme

To approve changes to the Discretionary Business Grant Scheme.

David Stevens
Chief Executive
Sandwell Council House
Freeth Street
Oldbury
West Midlands

Distribution:
Councillor Crompton (Chair);
Councillor Ali (Vice-Chair);
Councillors Hadley, Millard, Moore and Shaeen.

Contact: democratic_services@sandwell.gov.uk

Information about meetings in Sandwell



Only people invited to speak at a meeting may do so. Everyone in the meeting is expected to be respectful and listen to the discussion.



Agendas with reports with exempt information should be treated as private and confidential. It is your responsibility to ensure that any such reports are kept secure. After the meeting confidential papers should be disposed of in a secure way.



In response to the Coronavirus pandemic and subsequent 2020 Regulations, all public meetings will now be recorded and broadcast on the Internet to enable public viewing and attendance.



You are allowed to use devices for the purposes of recording or reporting during the public session of the meeting. When using your devices, they must not disrupt the meeting – please ensure they are set to silent.




Members who cannot attend the meeting should submit apologies by contacting Democratic Services (democratic_services@sandwell.gov.uk) Alternatively, you can attend the meeting remotely as per the 2020 Regulations.



All agenda, reports, minutes for Sandwell Council's meetings, councillor details and more are available from our website (<https://cmis.sandwell.gov.uk/cm5/>)

REPORT TO EMERGENCY COMMITTEE

27 August 2020

Subject:	Discretionary Business Grant Scheme Update
Director:	Chief Executive- David Stevens
Contribution towards Vision 2030:	
Contact Officer(s):	

DECISION RECOMMENDATIONS

That the Committee approve the extension of the Discretionary Business Grant Scheme to target two business categories – outdoor market traders and Sandwell lease holders to ensure the funds allocated are used to their maximum to support businesses in Sandwell.

1 PURPOSE OF THE REPORT

- 1.1 The report seeks approval to run a further targeted round of the Discretionary Business Grant Scheme, details of which are provided below.

2 BACKGROUND AND MAIN CONSIDERATIONS

- 2.1 On 1 May 2020 the Department for Business, Energy and Industrial Strategy (BEIS) announced a Discretionary Grant fund as it had become clear that a number of small businesses affected by the pandemic had not met the criteria for accessing the Small Business Grant (SBG) and Retail, Hospitality and Leisure (RHL) grants.

- 2.2 Guidance on the Discretionary Grant Scheme was received from BEIS on 13 May 2020. The guidance detailed qualifying criteria for the discretionary scheme and stipulated that the council must publish their scheme.
- 2.3 BEIS allocated Sandwell £3,362,000 to be distributed to local businesses in the form of Discretionary Business Grants.
- 2.4 On 27 May 2020, Emergency Committee approved the council's Discretionary Business Grant (DBG) Policy. Subsequently, the DBG scheme was originally open for online applications from the 1 – 28 June 2020, in accordance with the approved policy.
- 2.5 The scheme was then reopened on the 3 July solely for businesses that had applied for a SBG or RHL grant by 28 June 2020 but had been unsuccessful and were notified by the council after 28 June 2020. This was to provide those businesses an additional opportunity to apply for a DBG, on the basis that had the council been in a position to have made the decision before 28 June 2020, then the unsuccessful business would have been eligible to apply for the DBG.

3 THE CURRENT POSITION

- 3.1 A summary of the current position of the DBG scheme is identified in Table 1.

Table 1 Summarised Position as at 14 August 2020

Total Number of applications received to 14 August 2020	545
Number of applications received following reopening of the scheme on 3 rd July*	210
Total Number of Grants Paid	285
Total DBG funding available for distribution	£3,362,000
Value of grants paid in total	£2,260,000
Value of fund still available	£1,102,000

*approximately half of these applications are ineligible and will not be processed.

- 3.2 A number of safeguards have been put in place to ensure grants are awarded appropriately in accordance with BEIS guidance and a range of fraud risks are managed. Applicants have been required to evidence that businesses were actually trading lawfully on 11 March 2020 in Sandwell (date specified by BEIS) and that loss of income has been incurred due to Covid 19. Consequently, approximately 90 applications are currently open and awaiting further evidence/information.

- 3.3 The remaining applications are by their nature more complex or are applications with insufficient evidence and some with fraud risks that are being investigated. Applications that are well evidenced have moved through the process and been assessed already. Therefore, it is likely that a significant number of the outstanding applications will be deemed ineligible or disqualified due to fraud risks. Consequently, it is unlikely that the current applications will draw down all of the total £3.36m made available to SMBC even taking into account the reopening of the scheme in July.
- 3.4 In order to maximise support to Sandwell businesses and utilise the funding available it is proposed that the DBG scheme is broadened to target two business categories – outdoor market traders and Sandwell lease holders. Both business categories already financially transact with the council and will therefore enable grant awards to be made swiftly and ensure compliance with the timescales set out by BEIS for the closure of the scheme (see section 5 below).

Outdoor Market Traders

- 3.5 In consultation with the Markets Team, a proposal has been developed to provide a DBG to all outdoor market traders that were trading on 11 March 2020 in SMBC markets and have subsequently returned to trade since the easing of lockdown.
- 3.6 It is proposed that subject to the criteria outlined above, market traders would be awarded either £2,500 or £1,000 dependent on the number of market days and market stalls they have operated in SMBC market places – the higher value being awarded to traders operating in Sandwell more frequently. Any market trader that has already been in receipt of a DBG would not be eligible for this flat rate grant award.
- 3.7 It is estimated that there are around 60 outdoor traders and street entertainers that would qualify which would commit approximately £100,000 of the remaining fund.
- 3.8 This proposal has the following advantages:
- Prospective grant recipients are already known to the council therefore relatively low level of administrative resources are required
 - As such, grants can be awarded swiftly within the remaining time allowed by BEIS, whilst managing risks effectively
 - Redresses an anomaly that allowed indoor market traders, paying Business Rates, to access £10,000 Small Business Grant but which was not available to outdoor traders
 - The council has taken a proactive approach to support all market traders

SMBC Lease holders

- 3.9 A number of tenants in council owned shared facilities were not eligible for a SBG or RHL as the terms of their lease determined that they did not pay Business Rates.
- 3.10 On the basis that this action would help to protect future lease income for the council it is proposed that leaseholders are approached with a view to making a direct DBG award at a flat rate of either £2,500 or £5,000 dependent on the annual value of the lease providing they met the criteria set by BEIS (e.g. they were trading on 11 March 2020). Any leaseholder that has already been in receipt of a DBG would not be eligible for this flat rate grant award.
- 3.11 This proposal has the following advantages:
- Prospective grant recipients are already known to the council therefore relatively low level of administrative resources are required
 - As such, grants can be awarded within the remaining time allowed whilst managing risks effectively
 - Preventative approach to protect future lease income
- 3.12 It should be noted that businesses in non-council owned shared facilities had the opportunity to apply for a DBG between 1 – 28 June 2020.

4 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 4.1 The Discretionary Business Grant Policy was designed in consultation with local business representatives

5 ALTERNATIVE OPTIONS

- 5.1 As there is a limited timescale until the 28 August when the scheme is closed by the Government, there are limited alternative options. The proposals contained in this report have been selected as they can be delivered within the timescale available and within the officer resource available.

6 STRATEGIC RESOURCE IMPLICATIONS

- 6.1 The discretionary grants are one-off payments and funding of £3.362m has been provided by BEIS for these grants. The DBG policy states that applications will be processed on a 'first come first served' basis with a limited fund that cannot be exceeded.

7 LEGAL AND GOVERNANCE CONSIDERATIONS

7.1 BEIS requires councils to publish their Discretionary Business Grant Scheme. Any update to the policy will be communicated via the council's website.

8 EQUALITY IMPACT ASSESSMENT

8.1 An equality impact assessment is not required as all businesses in Sandwell had the opportunity of applying for a DBG (subject to the criteria set out by BEIS) when the online application was made available between 1 – 28 June 2020.

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 All applications have been processed in accordance with GDPR regulations.

10 CRIME AND DISORDER AND RISK ASSESSMENT

10.1 A full risk assessment has been undertaken and updated throughout the scheme with a particular emphasis on managing the risk of fraud. A range of measures have been implemented to identify and mitigate fraud risks. Further post payment assurance work will continue in line with guidance received from BEIS.

11 SUSTAINABILITY OF PROPOSALS

11.1 The total payment of DBG cannot exceed the allocated £3,362,000.

11.2 The payment of DBG is a one off payment to support businesses who have been affected by Covid 19. The decision being sought will assist businesses to recover from the lockdown and sustain their business operations.

11.3 Grant payments will help businesses survive the impact of the pandemic which directly impacts the wealth of the borough and helps to keep people in employment.

12 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

12.1 There are no direct implications on health and wellbeing arising from the decisions being sought.

13 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

13.1 The decisions being sought should enable market traders and leaseholders to continue trading in Sandwell, thereby ensuring that the assets held by the council continue to generate income and employment and therefore provide value for money.

14 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

14.1 The report seeks approval to run a further targeted round of the Discretionary Business Grant Scheme to ensure the funds allocated are used to their maximum to support businesses in Sandwell.

15 BACKGROUND PAPERS

Discretionary Business Grant Policy approved on 27 May 2020

16 APPENDICES:

None