

Report of	Meeting	Date
Director of Customer and Digital	Executive Decision	30 March 2020

CHIEF EXECUTIVE AND SECTION 151 APPROVAL FOR THE PAYMENT OF COVID-19 BUSINESS GRANT PAYMENTS AS DIRECTED BY CENTRAL GOVERNMENT

PURPOSE OF REPORT

1. To seek approval for the payment of Covid-19 Business Grant Payments.

RECOMMENDATION(S)

2. That the Chief Executive and s151 Officer of Chorley Council approve payment of the business grants in line with the government guidance and the council's own procedure.

EXECUTIVE SUMMARY OF REPORT

3. The Government have introduced financial support for businesses in response to COVID19. The funding is provided by the Government and the administration of the schemes is to be carried out by local authorities.
4. A process and a user guide have been drawn up in line with government guidance, the council's current processes and the functionality of the LOB applications.
5. The process decided upon involves all potentially eligible ratepayers being contacted by either email or letter. An online form needs to be completed by the ratepayer and a verification code entered. Eligibility checks are completed, and a credit transaction posted in the NNDR system. The payment is then refunded from the Academy NNDR system via BACS.

Confidential report Please bold as appropriate	Yes	No
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Key Decision? Please bold as appropriate	Yes	No
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REASONS FOR RECOMMENDATION(S)

6. The scheme is in line with government requirements to administer grants to business affected by COVID19.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

7. Alternative payment options were considered and discounted.

8. Using the Civica Creditors system would require creditors to be set up and an MPV to be raised. This does not provide an audit trail in Academy.
9. A bulk update of credits to the Academy system was also considered. This would have saved some time but was not considered to be best practice. It would also have implications for year- end balancing.

CORPORATE PRIORITIES

10. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all		A strong local economy	X
Clean, safe and healthy homes and communities		An ambitious council that does more to meet the needs of residents and the local area	X

BACKGROUND

11. In response to the Coronavirus the Government announced there would be further support for small businesses and businesses in the retail, hospitality and leisure sector. A grant payment would be made to qualifying ratepayers administered by the Local Authority.
12. The Government have provided guidance and eligibility criteria.
13. The cost of the scheme will be funded by way of a S.31 grant payment from government on or before the 1 April 2020 to cover the cost of providing grant payments to eligible businesses.
14. The council is administering and managing the schemes essentially on behalf of government and is responsible for the administration and payment of the grant monies. The additional costs involved in the administration of this scheme is intended to be reimbursed by the government using new burdens funding.
15. The support takes the form of two grant funding schemes.

GRANT FUNDING SCHEMES

16. The two grant funding schemes are outlined below:

a) Small Business Grant Fund

- i. A small business grant payment of £10,000 for all businesses in receipt of small business rate relief or rural rate relief.

b) Retail, Hospitality and Leisure Grant Fund (RHL)

- i. A retail and hospitality grant of £10,000 for retail, hospitality and leisure businesses with property with a rateable value of £15,000 and under.
- ii. A retail and hospitality grant of £25,000 for retail, hospitality and leisure businesses with property with a rateable value of over £15,000 and under £51,000.

17. The key date for qualifying for grant payments is 11 March 2020. Businesses needed to be in occupation on this date to have been eligible for the relevant grant.

18. The table below summarises the grants, criteria volumes and values.

No	Grant	Rateable Value	Criteria	Payment	Chorley Volumes*	Grant Value*
a	Small Business Grant Relief	£1 - £14,999	Eligible for small business rate relief or rural rate relief	£10,000	1,578	£15,780,000

b	Retail Hospitality and Leisure Grant	£15,001 - £51,000	Eligible expanded for retail discount	£25,000	147	£3,675,000
c	Retail Hospitality and Leisure Grant	£1 - £15,000	Eligible expanded for retail discount	£10,000	95	£950,000
					1,820	£20,405,000

* based on initial data extract and assessed against interpretation of government criteria and therefore does not indicate final outturn

FRAUD, RISK AND ERROR

19. Any businesses caught falsifying records to gain additional grant money will face prosecution and will be required to pay the grant monies back.
20. A clear declaration has been added to the online form to gain agreement to this condition and to accommodate the situation where the council may make a grant payment in error.
21. To combat fraudulent claims the process includes the creation of a unique verification code which provides a validation of the business rates account number. The business rates number is not provided in the email or letter sent to the customer inviting their request for a grant. This provides an additional check.
22. Staff have been identified and cherry picked to carry out certain tasks. The experienced NNDR staff will carry out initial verification checks of the received forms using their knowledge of the caseload.
23. Eligibility criteria will also be checked by experienced business rates staff who also have good local knowledge regarding the business rates caseload.
24. The payment process will follow the established refund procedure and the refund will be signed off by a Team Leader.
25. The full procedure for the processing of the grant payments which includes the user guide is attached. This includes a copy of the email/letter and the government guidance regarding eligibility criteria for the Retail, Hospitality and Leisure grant funding.

IMPLICATIONS OF REPORT

26. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	✓	Customer Services	
Human Resources		Equality and Diversity	
Legal		Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

COMMENTS OF THE STATUTORY FINANCE OFFICER

27. The process outline and appended to this report provide assurance that the grants can be administered in a timely fashion and that the risk of fraudulent claims has been minimised.
28. Assurance has also been granted that the use of the business rate system will not result in these grants been accounted for through the collection fund. These grants are not reliefs and therefore should be excluded from collection fund accounting.
29. There are large cash flow implications from processing these grants. The council has taken temporary borrowing to enable any payments to be made prior to the Government providing funding. Funding of £24,784,000 is expected from Government on 1st April.

COMMENTS OF THE MONITORING OFFICER

30. The report confirms that the grant payments are in accordance with the terms of the government funding and the council processes and therefore the payments may be approved.

ASIM KHAN
DIRECTOR OF CUSTOMER AND DIGITAL

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Asim Khan	5448	30 March 2020	***

Following careful consideration and assessment of the contents of this report, I approve the recommendation(s) contained in Paragraph 2 of the report in accordance with my delegated power to make executive decisions.

_____ **Dated:** 30 March 2020

Gary Hall
Chief Executive: Chorley Council

_____ **Dated:** 30 March 2020

James Thomson
Deputy Director of Finance
Section 151 Officer: Chorley Council