



## **KEY DECISION NOTICE**

<b>SERVICE AREA:</b>	GROWTH
<b>SUBJECT MATTER:</b>	<b>TAMESIDE DISCRETIONARY GRANT FUND ROUND 1 OUTCOME</b>
<b>DECISION:</b>	<p>That it be DETERMINED that:</p> <ol style="list-style-type: none"><li>1. The 57 applications which have been processed as being eligible for award of grant are approved for payment subject to the businesses submitting declarations of state aid compliance where outstanding.</li><li>2. That the 40 applicants identified as requiring more evidence before eligibility established including submitting declarations of state aid compliance continue to be processed with the decision on their approval for payment being delegated to the Executive Member for Finance and Growth in consultation with the Director of Place.</li><li>3. Any unspent ring fenced budget from Round 1 will only be released to Round 2 when all the eligible awards under recommendation 2 are approved and paid. Ring fenced budget from Round 1 being retained from Round 2 until eligibility established and approved or rejected for payment as per recommendation 1 above.</li><li>4. That a list of businesses paid under the discretionary scheme will be published under the transparency data together with a summary as to the reasoning for those bids that have rejected.</li><li>5. That Round 2 commences on Thursday 25 June 2020 for a period of two weeks from this Key Decision and that the outcome from Round 2 is returned to COVID Response Board on the 15 July 2020 for urgent Key Decision.</li></ol>
<b>DECISION TAKER(S):</b>	Executive Cabinet
<b>DESIGNATION OF DECISION TAKER (S):</b>	Executive Cabinet
<b>DATE OF DECISION:</b>	24 June 2020
<b>REASON FOR DECISION:</b>	The Tameside Discretionary Fund was approved by Key Decision on the 3 June and set out the requirement for a further Key Decision to be taken to approve award of grants providing financial support for small businesses impacted by COVID19.
<b>ALTERNATIVE OPTIONS REJECTED (if any):</b>	The Council is required to put a discretionary grant in place to support local businesses impacted by COVID19 not to do this would be detrimental to the Tameside economy.
<b>CONSULTEES:</b>	Tameside Prosperous Board Business Leaders have been consulted on the establishment of this Discretionary Grant Fund.

<p><b>FINANCIAL IMPLICATIONS:</b> (Authorised by Borough Treasurer)</p>	<p>The Local Authority Discretionary Grants Fund announced by the Government on 1 May 2020 allocated £2,345,250 to the Council. A Key Decision taken on 3 June 2020 approved the criteria for the award of this money. Following the application process for Round 1, there are currently 98 applicants in processing which will lead to a maximum pay out of £663,000.</p> <p>As all the allocated funds will not be fully utilised in Round 1, it is currently proposed that £330k is paid, but with 42 applications currently judged ineligible or requiring additional information, claiming an additional £333k. This means that there is a maximum potential payout of £663k.</p> <p>Given this the funding available for Round 2 is between £1,682.25k and up to a maximum of £2,015.25k.</p> <p>As identified in section 4 the Council intends to work with National Anti-Fraud Network (NAFN) on a free pilot they have developed with partners to meet the Government's Counter Fraud requirements on payments. Should the pilot not be able to meet the Councils requirements which are highly unlikely the Council would be required to pay for a Government provided service costing in the region of £150 for round 1 and £210 for Round 2. This equates to an estimated £360 across the two Rounds which would be funded from existing identified Economy, Employment and Skills Service budget and not from the Discretionary Grant Fund budget or requiring additional funding request.</p> <p>There remains a risk that some of the applications deemed ineligible may be challenged by the applicant. For transparency purposes it is important that the reasons for ineligible bids are categorised and published as to why they are ineligible when mapped to the scheme.</p>
<p><b>LEGAL IMPLICATIONS:</b> (Authorised by Borough Solicitor)</p>	<p>Members need to be satisfied that the discretionary scheme has supported our priorities and reached the businesses that the government's statutory scheme did not support but are important to us support their sustainability for the economy in order to ensure round 2 still meets the necessary remit.</p> <p>As the nature of businesses that will be successful is not set out in this report for the reasons of transparency the statutory officers (MO &amp; s151) have recommended that a list of successful businesses is published as soon as practicable and this can be updated on a regular basis as and when businesses are awarded grant. This differs from the statutory scheme, which remains open where those businesses have been awarded have not been published to prevent fraud. The round 1 scheme is closed and therefore no further businesses have been closed.</p> <p>The reports sets out that 42 business that have applied have been assessed as ineligible but does not explain why; some of these will be because they were already successful under the statutory scheme. Consequently there may still be a risk that some of these businesses may challenge that outcome and the Executive Member for Finance and Growth needs to be satisfied that sufficient money is retained from round 1 to</p>

	<p>meet any claims prior to distributing the remainder of the grant envelope in round 2.</p> <p>The full legal implications in relation to the delivery of this discretionary grant fund are set out in the initial report dated 2 June 2020. This report now seeks the authority to make the grant payments to those who were successful in round 1 and to proceed to round 2.</p> <p>Section 5 of the report sets out the steps taken in relation to the due diligence undertaken to ensure the eligibility of the applications. In addition each eligible applicant will be required to return their State Aid declaration before the payment is actually made,</p> <p>As with round 1 the aim of the scheme is to provide support to micro and small businesses who have not come under the remit of previous schemes. In addition in an attempt to ensure that the grants have the maximum positive impact central government require local authorities to use their local knowledge and develop local criteria. These criteria must be clearly articulated in the scheme and application process to ensure that all those who are eligible are able to apply.</p> <p>Detailed modelling in relation to the likely application levels has not been possible and so it is not possible to predict currently what the demand is likely to be and therefore to model the number and level of the possible payments. It is therefore important that there is regular and clear communication with all applicants from the outset in relation to the likely level of grants which may be awarded in order to manage expectations and to allow the businesses to start planning with the minimum of delay.</p> <p>Again as with round 1 the service will have to have robust screening in place in order to identify any fraudulent or ineligible claims. The Council must comply with central governments requirements in relation to managing risk and fraud as well as complying with the monitoring and reporting requirements.</p>
<b>CONFLICT OF INTEREST:</b>	N/A
<b>DISPENSATION GRANTED BY STANDARDS COMMITTEE ATTACHED:</b>	N/A
<b>ACCESS TO INFORMATION:</b>	<p>The background papers relating to this report can be inspected by contacting the Report Writer, David Berry by:</p> <p> Telephone: 07854163188</p> <p> E-mail: <a href="mailto:david.berry@tameside.gov.uk">david.berry@tameside.gov.uk</a></p>



Signed ..... Dated: 24 June 2020

Insert name and designation of decision taker

## **KEY DECISION REPORT**

<b>SERVICE AREA:</b>	GROWTH
<b>SUBJECT MATTER:</b>	<b>TAMESIDE DISCRETIONARY GRANT FUND ROUND 1 OUTCOME</b>
<b>DATE OF DECISION:</b>	24 June 2020
<b>DECISION TAKER(S):</b>	Executive Cabinet
<b>DESIGNATION OF DECISION TAKER (S):</b>	Executive Cabinet
<b>REPORTING OFFICER:</b>	Jayne Traverse Director of Growth
<b>REPORT SUMMARY:</b>	This report sets out that 140 applications, of which 98 may be eligible, totalling a maximum award of £663,000 have been received to the Tameside Discretionary Grant Fund in Round 1. This leaves £1,682,250 remaining for Round 2. This Key Decision Report recommends that those eligible for payment are approved to enable Round 2 to commence with an identified minimum budget which may be increased following successful processing of all Round 1 applicants.
<b>RECOMMENDATION:</b>	<p>That it be DETERMINED that:</p> <ol style="list-style-type: none"> <li>1. The applicants as eligible for award of grant are approved for payment.</li> <li>2. The applicants identified as requiring more evidence before eligibility established continue to be processed with ring fenced budget from Round 1 being retained from Round 2 until eligibility established and approved for payment as per recommendation 1 above.</li> <li>3. That Round 2 commences on Thursday 25 June 2020 for a period of two weeks from this Key Decision and that the outcome from Round 2 is returned to COVID Response Board on the 15<sup>th</sup> July 2020 for urgent Key Decision.</li> </ol>
<b>JUSTIFICATION FOR THE DECISION:</b>	The Tameside Discretionary Fund was approved by Key Decision on the 3 June and set out the requirement for a further Key Decision to be taken to approve award of grants providing financial support for small businesses impacted by COVID19.
<b>ALTERNATIVE OPTIONS REJECTED (if any):</b>	The Council is required to put a discretionary grant in place to support local businesses impacted by COVID19 not to do this would be detrimental to the Tameside economy.
<b>CONSULTEES:</b>	Tameside Prosperous Board Business Leaders have been consulted on the establishment of this Discretionary Grant Fund.
<b>FINANCIAL IMPLICATIONS: (Authorised by Section 151</b>	The Local Authority Discretionary Grants Fund announced by the Government on 1 May 2020 allocated £2,345,250 to the

<p><b>Officer)</b></p>	<p>Council. A Key Decision taken on 3 June 2020 approved the criteria for the award of this money. Following the application process for Round 1, there are currently 98 applicants in processing which will lead to a maximum pay out of £663,000.</p> <p>As all the allocated funds will not be fully utilised in Round 1, it is currently proposed that £330k is paid, but with 42 applications currently judged ineligible or requiring additional information, claiming an additional £333k. This means that there is a maximum potential payout of £663k.</p> <p>Given this the funding available for Round 2 is between £1,682.25k and up to a maximum of £2,015.25k.</p> <p>As identified in section 4 the Council intends to work with National Anti-Fraud Network (NAFN) on a free pilot they have developed with partners to meet the Government's Counter Fraud requirements on payments. Should the pilot not be able to meet the Councils requirements which are highly unlikely the Council would be required to pay for a Government provided service costing in the region of £150 for round 1 and £210 for Round 2. This equates to an estimated £360 across the two Rounds which would be funded from existing identified Economy, Employment and Skills Service budget and not from the Discretionary Grant Fund budget or requiring additional funding request.</p> <p>There remains a risk that some of the applications deemed ineligible may be challenged by the applicant. For transparency purposes it is important that the reasons for ineligible bids are categorised and published as to why they are ineligible when mapped to the scheme.</p>
<p><b>LEGAL IMPLICATIONS:</b> <b>(Authorised by Borough Solicitor)</b></p>	<p>Members need to be satisfied that the discretionary scheme has supported our priorities and reached the businesses that the government's statutory scheme did not support but are important to us support their sustainability for the economy in order to ensure round 2 still meets the necessary remit.</p> <p>As the nature of businesses that will be successful is not set out in this report for the reasons of transparency the statutory officers (MO &amp; s151) have recommended that a list of successful businesses is published as soon as practicable and this can be updated on a regular basis as and when businesses are awarded grant. This differs from the statutory scheme, which remains open where those businesses have been awarded have not been published to prevent fraud. The round 1 scheme is closed and therefore no further businesses have been closed.</p> <p>The reports sets out that 42 business that have applied have been assessed as ineligible but does not explain why; some of these will be because they were already successful under the statutory scheme. Consequently there may still be a risk that some of these businesses may challenge that outcome and the Executive Member for Finance and Growth needs to be satisfied that sufficient money is retained from round 1 to meet any claims prior to distributing the remainder of the grant envelope in round 2.</p>

	<p>The full legal implications in relation to the delivery of this discretionary grant fund are set out in the initial report dated 2 June 2020. This report now seeks the authority to make the grant payments to those who were successful in round 1 and to proceed to round 2.</p> <p>Section 5 of the report sets out the steps taken in relation to the due diligence undertaken to ensure the eligibility of the applications. In addition each eligible applicant will be required to return their State Aid declaration before the payment is actually made,</p> <p>As with round 1 the aim of the scheme is to provide support to micro and small businesses who have not come under the remit of previous schemes. In addition in an attempt to ensure that the grants have the maximum positive impact central government require local authorities to use their local knowledge and develop local criteria. These criteria must be clearly articulated in the scheme and application process to ensure that all those who are eligible are able to apply.</p> <p>Detailed modelling in relation to the likely application levels has not been possible and so it is not possible to predict currently what the demand is likely to be and therefore to model the number and level of the possible payments. It is therefore important that there is regular and clear communication with all applicants from the outset in relation to the likely level of grants which may be awarded in order to manage expectations and to allow the businesses to start planning with the minimum of delay.</p> <p>Again as with round 1 the service will have to have robust screening in place in order to identify any fraudulent or ineligible claims. The Council must comply with central governments requirements in relation to managing risk and fraud as well as complying with the monitoring and reporting requirements.</p>
<b>CONFLICT OF INTEREST:</b>	N/A
<b>DISPENSATION GRANTED BY STANDARDS COMMITTEE ATTACHED:</b>	N/A
<b>ACCESS TO INFORMATION:</b>	<p>The background papers relating to this report can be inspected by contacting the David Berry, Head of Economy, Employment and Skills by:</p> <p> Telephone: 07854163188</p> <p> E-mail: david.berry@tameside.gov.uk</p>

## 1.0 INTRODUCTION

- 1.1 Following a Key Decision on the 3 June 2020 to approve Tameside's Discretionary Grant Fund Scheme this report provides an outcome from Round 1 and recommends commencement to Round 2. The value of Round 1 applications did not exceed the total funding available of £2,345,250 and therefore funding remains to deliver Round 2.
- 1.2 Round 1 has resulted in a high number of unique visits to the scheme webpage (2,106) and the operation of an online application form, we believe has kept ineligible applications to a low level (30%) compared to other GM Authorities. There have been no formal complaints at this stage and feedback from applicants relates mainly to the Government set mandatory criteria. It has become clear that the Council needs to operate Round 2 as expediently as possible as many businesses eligible for this Round are awaiting its opening to support continued trading.
- 1.3 Since the announcement of the scheme by Government in early May the national Guidance has changed 3 times and the Frequently Asked Questions (FAQs) have changed 4 times. Some of the changes have been substantial (including making the Self Employment Income Support Scheme eligible and capping then uncapping the Rateable Value of eligible properties to £51k). The changes have yet to significantly impact Tameside's scheme although it should be noted that changes in Government guidance could continue to impact and change our local scheme in the future. The Key Decision Report on the 3 June 2020 set out the following mitigations, which would enable Tameside Council to manage any future changes from Government that negatively impact the scheme.
- The Government guidance issued on 13/05/2020 and updated 22/05/2020 gives the Council discretion over the grant scheme, and its decisions regarding the scheme will be final.
  - The Council reserves the right to vary the terms of the scheme at any time, and without notice, should it be necessary to do so.
  - If the fund is oversubscribed with the applications received, the Council reserves the right to amend the grant levels to a pro-rata basis, based on the applications received and approved, as a way of dealing with this situation, should it arise.

## 2.0 ROUND 1 OUTCOME

- 2.1 Table 1 below sets out there have been 98 eligible applications in Round 1 with a total value of £663,000. There have been no applications at the £25,000 grant level. 42 applications have been assessed as ineligible.

<b>TABLE 1 Indicative Spend by level (all applications)</b>	<b>Applications</b>	<b>Up to £1000</b>	<b>Up to £5000</b>	<b>Up to £10,000</b>	<b>Up to £25,000</b>
Applications in processing - No.	98	13	40	45	0
Approved <i>subject to State Aid declaration</i>	46	5	17	24	
Applications in processing - Total Value	£663,000	£13,000	£200,000	£450,000	£0
Of which approved	£330,000	£5,000	£85,000	£240,000	£0
Assessed and ineligible ( <b>not included above</b> )	42				

- 2.2 Table 2 below sets out that there is £1,682,250 funding remaining for Round 2 and no amendment to grant levels is required in Round 1. The allocated funding includes those applicants where eligibility has yet to be finalised due to the application being submitted towards the end of the application period and further evidence being required and requested for processing and compliance checks. Therefore the Total Remaining Spend for Round 2 of £1,682,250 may increase as Round 1 applications are finalised.

<b>TABLE 2 Allocated and Remaining</b>	
Indicative applicant allocated spend Round 1	£663,000
Total available spend	£2,345,250
Total remaining spend	£1,682,250

### 3.0 ROUND 2

- 3.1 It is proposed that Round 2 commences on Thursday 25 June 2020 immediately following the approval of this Key Decision with a 2 week application window. We are aware that we have had a high number of visits to the scheme webpage and a high number of enquiries from businesses who have indicated they will apply due to eligibility criteria for Round 2. It is important that we operate our scheme expediently to provide maximum support to our local business community eligible in our scheme.
- 3.2 Round 2 will have a minimum spend of £1,682,250. Should further applications be found ineligible from Round 1 this may increase. The Tameside Discretionary Grant Fund Scheme is attached as **Appendix A**. The Round 2 eligible areas are set out in section 27 of the scheme. It should be noted that further changes or clarifications to Government Guidance may impact the criteria. Any changes will be dealt with immediately, with the agreement of the Director of Growth.
- 3.3 As with Round 1 the scheme will not be able to overspend in Round 2 due to the controls set out in the Key Decision on the 3 June 2020.
- The Council reserves the right to vary the terms of the scheme at any time, and without notice, should it be necessary to do so.
  - If the fund is oversubscribed with the applications received, the Council reserves the right to amend the grant levels to a pro-rata basis, based on the applications received and approved, as a way of dealing with this situation, should it arise.
- 3.4 Round 2 timelines (subject to the approval of this Key Decision) will be:
- Applications open - Thursday 25 June, 4pm
  - Application window closes – Thursday 9 July, 5pm
  - Award of grants – from Thursday 9 July onwards

### 4.0 ADDITIONAL SPEND

- 4.1 The Government has provided additional guidance on Counter Fraud measures. Tameside Council intends to work with National Anti-Fraud Network (NAFN) on a free pilot they have developed with partners to meet the Government's Counter Fraud requirements on payments. Should the pilot not be able to meet our requirements (highly unlikely) Tameside Council would be required to pay for a Government provided service costing in the region of £150 for round 1 and £210 for Round 2. This equates to an estimated £360 across the two Rounds which would be funded from existing identified Economy, Employment and Skills Service budget and not from the Discretionary Grant Fund budget or requiring additional funding request.



## **5.0 PROJECT MANAGEMENT APPROACH AND RISK**

- 5.1 The operation and project management of the Scheme has been led by Economy, Employment and Skills with Risk and Audit and Finance attending all operational Task and Finish Group meetings (x3 per week). The Task and Finish Group has dealt with new guidance and issues arising. Fraud checks have been a central feature of our operational running with all Risk and Audit control recommendations pre-project and in-project being adopted. Risk and Audit have also been operationally involved in the compliance team to provide direct feedback on process and implementation. Daily briefings and performance have been provided to manage the Scheme effectively.

## **6.0 RECOMMENDATIONS**

- 6.1 As set out at the front of this report.