



WELWYN HATFIELD

OPENNESS OF LOCAL GOVERNMENT BODIES REGULATIONS 2014 RECORD OF OFFICER DECISION TAKEN UNDER DELEGATED AUTHORITY

1. **SERVICE AREA**

2. **CASE REFERENCE**

3. **DECISION TITLE**

4. **AUTHORITY TO TAKE THE DECISION** **(tick)**

This decision has been taken under a specific express authorisation

This decision has been taken under a general authorisation

The effect of the decision is to:

(a) grant a permission or licence

(b) affect the rights of an individual

(c) award a contract or incur expenditure which materially affects the Council's financial position

5. DETAILS OF THE DECISION MAKING OFFICER

Name of decision making Officers	<input type="text" value="Ka Ng"/>	<input type="text" value="Rob Bridge"/>
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Job titles	<input type="text" value="Corporate Director (Resources, Environment and Cultural Services)"/>	<input type="text" value="Chief Executive"/>
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Signatures	<input type="text"/>	<input type="text"/>
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Date this decision was taken	<input type="text" value="18 June 2020"/>
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6. DETAILS OF THE DECISION

Decision taken

Following the running of the discretionary grants scheme application process, which closes tomorrow (19 June 2020), to agree the grant funding levels as follows:

Property Fixed Costs Ranges	Grant
£0 - £2,000	£1,000
£2,001 - £5,000	£2,100
£5,001 - £10,000	£4,200
£10,000 - £20,000	£8,400
£20,000 - £51,000	£10,000
£51,000 +	£25,000

It is anticipated that these levels will mean around £120k of support is given to businesses of the £802k available.

To run a second tranche of the scheme with broader criteria:

- a) Open up to all small businesses with combined RV under £51k not eligible for first scheme
- b) Have clearer list of exclusions from review of properties with RV under £51k (eg already have WFH, Virtual offices, but also things like ATMs, advertising space, Telephone masts, banks, car Parks and NHS property etc)
- c) Allow applications from businesses with RV over £51k where wholly or mainly reliant on Retail, Hospitality and Leisure Sector for their business (eg event hire companies)
- d) Do not publicise grant levels, say something similar as last time, but with links to fixed property overheads

The second tranche will run until 3 July 2020. The funding levels above, used for the initial scheme, will be used for modelling potential payments throughout tranche 2. Final grant awards will be determined towards the end of the second tranche scheme.

Reasons

An summary update on tranche 1, and recommendations from tranche 2 is included in appendix A. Rationale for this follows the principles of the previous decision, to focus on businesses with fixed business based property costs, expanding the scheme to support a wider pool of businesses where possible.

Nationally it was identified that businesses who directly support the hospitality and leisure trade had missed out on other support schemes available. The economic development officer is aware of such businesses operating from the Borough, and it is felt this is an important area for the council to support where possible. For this reason, applications will be accepted and assessed where the RV is over £51k.

Alternative options considered and reasons for their rejection (if any)

N/A

7. BACKGROUND PAPERS USED TO INFORM THE DECISION

Background Papers	Location
Delegation of decisions in relation to the scheme – “Covid-19 Financial Impact Update 2020/21” - Cabinet 19 May 2020	https://democracy.welhat.gov.uk/ieListDocuments.aspx?CId=151&MId=1097&Ver=4
Government Guidance	https://www.gov.uk/government/publications/coronavirus-covid-19-guidance-on-business-support-grant-funding
Update from Tranche 1	Appendix A

8. DETAILS OF ANY MEMBER(S) CONSULTED

Councillor Tony Kingsbury (Leader)
Councillor Duncan Bell (Executive Member for Resources)
Councillor Bernard Sarson (Executive Member for Regeneration, Economic Development and Partnerships)

In the case of a decision made under specific express authorisation, the name of any Member who has declared a conflict of interest

n/a

9. DETAILS OF ANY OFFICER(S) CONSULTED

Head of Resources
Client Services Support Manager
Community Partnerships Manager
Economic Development Officer

10. OPINION OF DECISION MAKING OFFICER AS TO CONFIDENTIAL/EXEMPT INFORMATION

In my opinion this record and/or background papers contain confidential/exempt information and the material is therefore not to be placed on the website or disclosed to the public

11. ACTION FOLLOWING THE DECISION

Date of publication

Appendix A

Initial Tranche Update

Applications Received: 78

Accepted 23 (some still with NFI for review)
Rejected 33
Still under consideration 22

Applications close at 1pm on 20th June.

Rejected

A summary of the reasons for rejections are as follows

Reason for rejection	Number
Homeworkers (not shared office space, rejected in line with Government guidance)	8
XXXXXXXXXXXXXXXXX Tenants (no property costs)	7
Virtual Offices (not truly shared space, minimal costs)	4
Have a business rates liability (not a shared space)	4
Not in Borough (these have been referred to the relevant Council)	3
Warehouses (not shared space)	3
Received other funding (eg grants under the first grant scheme)	2
Duplicate submission	1
Dentist (not shared space)	1
Not registered as B&B	1

Still under consideration

These are where insufficient or in some cases no supporting evidence has been submitted. Emails have been sent to these companies, and reminders sent where appropriate.

Deadlines have been given to earlier applicants of 19th June, and those applying this week the 22nd June.

Accepted

Companies accepted are of varying sizes, and more importantly largely varying fixed costs. This scheme is designed to support companies with reduced income, that were not eligible for the first grant scheme to meet their fixed costs (excluding salaries which are supported through the job retention scheme).

Fixed property costs for companies applying ranged between £2.5k and £43k.

So that the scheme does not become overly complicated, grant awards are recommended based on simple fixed costs ranges, so that a company is awarded a grant bases upon the their fixed costs. The first four bands have been calculated to give a minimum of 5 months fixed costs cover (up to a maximum of 12 months cover). The upper two bands are based around the small business limits (£51k) and upper grant limits (£10k and £25k). *Upper and lower ranges have also been included, even though no companies fall into these, as it is recommended the same ranges are used for tranche 2, but grant amounts may need to be adjusted proportionately dependant on number of applications:*

Property Fixed Costs Ranges	Grant
£0 - £2,000	£1,000
£2,001 - £5,000	£2,100
£5,001 - £10,000	£4,200
£10,000 - £20,000	£8,400
£20,000 - £51,000	£10,000
£51,000 +	£25,000

Based on the number of accepted applications so far, the cost of these proposals would be £120k and the breakdown of businesses supported would be as follows:

Property Fixed Costs Ranges	Grant	Businesses	Cost
£0 - £2,000	£1,000	0	£0
£2,001 - £5,000	£2,100	6	£12,600
£5,001 - £10,000	£4,200	10	£42,000
£10,000 - £20,000	£8,400	3	£25,200
£20,000 - £51,000	£10,000	4	£40,000
£51,000 +	£25,000	0	£0
Total		23	£119,800

Tranche 2 Recommendations

- a) Open up to all small businesses with combined RV under £51k not eligible for first scheme
- b) Have clearer list of exclusions from review of properties with RV under £51k (eg already have WFH, Virtual offices, but also things like ATMs, advertising space, Telephone masts, banks, car Parks and NHS property etc)
- c) Allow applications from businesses with RV over £51k where wholly or mainly reliant on Retail, Hospitality and Leisure Sector for their business (eg event hire companies)

Of the 32 rejected, at least 8 would be reconsidered under these recommendations. Approx 680 eligible businesses under £51k plus those above reliant on RHL sectors.

Grant levels to remain the same, but be adjusted proportionately based upon number of applications:

Property Fixed Costs Ranges	Grant
£0 - £2,000	£1,000
£2,001 - £5,000	£2,100
£5,001 - £10,000	£4,200
£10,000 - £20,000	£8,400
£20,000 - £51,000	£10,000
£51,000 +	£25,000