



Emergency Officer Decision Record

1. Subject and details of the matter (to include reasons for the decision)

Emergency Business Support Grant Funding

In response to the Coronavirus, Covid – 19, the Government announced there would be support for small businesses, and businesses in the retail, hospitality and leisure sectors.

This support was in the form of two grant funding schemes, the Small Business Grant Fund and the Retail, Hospitality and Leisure Grant Fund.

Local Authorities are responsible for making payments to businesses.

How much funding will be provided to businesses?

Under the Small Business Grant Fund (SBGF) all businesses in England in receipt of Small Business Rates Relief (SBRR) and Rural Rates Relief (RRR) in the business rates system will be eligible for a payment of £10,000 in line with the eligibility criteria.

Under the Retail, Hospitality and Leisure Grant (RHLG) businesses in England in receipt of the Expanded Retail Discount (which covers retail, hospitality and leisure) with a rateable value of less than £51,000 will be eligible for the following cash grants per property:

- Eligible businesses in these sectors with a property that has a rateable value of up to £15,000 will receive a grant of £10,000, in line with the eligibility criteria.
- Eligible businesses in these sectors with a property that has a rateable value of over £15,000 and less than £51,000 will receive a grant of £25,000, in line with the eligibility criteria.

Businesses with a rateable value of £51,000 or over are not eligible for this scheme. Businesses which are not ratepayers in the business rates system are not included in this scheme

S138 Local Government Act 1972 permits that where such circumstances exist so as to affect the whole or part of their area or all or some of its inhabitants a Council may:

- (a) incur such expenditure as they consider necessary in taking action themselves (either alone or jointly with any other person or body and either in their area or elsewhere in or outside the United Kingdom) which is calculated to avert, alleviate or eradicate in their area or among its inhabitants the effects or potential effects of the event; and
- (b) make grants or loans to other persons or bodies on conditions determined by the council in respect of any such action taken by those persons or bodies.

This decision is made in the above circumstances.

2. Is it a Key Decision as defined in the Constitution?

Yes

To Increase the counterparty limit to a single Money Market Fund (MMF) and Funds under Group Management limits beyond those approved in the 2020-21 Treasury Management Strategy to allow residual Business Support Grant balances to be efficiently managed.

3. Details of Decision

In order to continue to support the on-going distribution of Business Support Grants (BSG) in a timely and optimal manner it will be more efficient to invest the residual balance of grant in a MMF to allow immediate access as required. This would require the counterparty limits and Group Pooled Fund within the TMSS to be amended solely for the investment of this funding and will not apply to the Business as Usual aspects of Treasury Management.

4. Is it an Urgent Decision? If yes, specify the reasons for urgency. Urgent decisions will require sign off by the relevant scrutiny chair(s) as not subject to call in.

The Department for Business, Energy and Industrial Strategy (BEIS) requires Local Authorities to continue to distribute BSG and has issued additional funding and guidance around a more discretionary element of the scheme. This will be more an application process around agreed criteria and therefore payments of grant will be more ad hoc. To support this process a change to the TMSS will allow improved cashflow management of the residual balance of grant.

5. Anticipated outcome(s)

Reduced number of daily investments within the Treasury Team as funding will be placed in an on call account.

6. Details of any alternative options considered and rejected by the officer when making the decision

In respect of the cash flow logistics of distributing residual grant in line with the Treasury Management Strategy (TMSS) one option is the continuation of current arrangements whereby the grant is invested overnight in the DMO and returned each morning to be used then returned overnight. This worked well when the volume and value of daily payments was high and regular, although has been resource intensive in terms of daily investments, authorisers and releaser input. We have moved into a more unpredictable phase in terms of distribution and it would be more efficient to use an on call MMF.

We could leave the BSG funds in our main bank account to be swept up by future payments. This would require a similar ODR as our bank's counterparty limit would be breached. There would be no separation of BSG monies from the rest of the Council's funds under this option, requiring additional reconciliation. We would also be taking single-counterparty risk at the lower end of our Approved Rating scale

To utilise the Blackrock Institutional Sterling Government Liquidity Fund. This fund only invests in Sterling denominated Sovereign debt so offers a similar Credit Risk profile to DMO. This is the preferred option.

7. Background documents considered

Treasury Management Strategy
<https://www.gov.uk/government/publications/coronavirus-covid-19-guidance-on-business-support-grant-funding>

8. Does the taking of the decision include consideration of Exempt information? If yes, specify the relevant paragraph of Schedule 12A and the reasons

No.

9. Details of any conflict of interest declared by any Cabinet Member who was consulted by the officer which relates to the decision (in respect of any declared conflict of interest, please provide a note of dispensation granted by the Council's Chief Executive)

None.

10. Monitoring Officer Comments (Monitoring Officer or Deputy Monitoring Officer)

All directors have the power to determine and exercise, having regard to prevailing Council policy, the operational requirements of their functions and to manage the human and material resources available for their functions.

Constitutionally where there is an urgent need or where there is a recess in meetings (in my view, howsoever arising) the Chief Executive and all Directors shall be empowered on behalf of and in the name of the Council to deal with matters of urgency or routine business normally requiring a Cabinet or Committee decision which may arise between the meetings of Cabinet / Committees or during any period when the Cabinet / Committees are in recess; provided that

- (i) there is no conflict with the Budget and Policy Framework (unless the urgency provisions in the Budget and Policy Framework Procedure Rules are followed)
- (ii) If a Key Decision is involved, the matter is contained in the Forward Plan (or the general exception or special urgency provisions are satisfied); and
- (iii) In respect of any matter falling within the terms of reference of a Committee the Officer shall first consult with the Chairman or, in his/her absence, the Deputy Chairman; and a report of the decision taken shall be submitted to the next ordinary meeting of the Committee; or in the case of all Executive matters the Officer shall first consult with the Chief Executive, relevant Portfolio Holder(s) and a report of the decision taken shall be submitted to the next ordinary meeting of the Cabinet.
- (iv) The Monitoring Officer and Section 151 Officer are consulted in respect of the proposed decision.

The Chief Executive has directed that all decisions made in the above circumstances shall be in consultation with the Leader and Portfolio Holder for Finance and Resources (where available)

11. Section 151 Officer Comments (Deputy S151 Officer or nominee)

S138 of the Local Government Act 1972 permits the Council to make grants or loans to other persons or bodies on conditions determined by the council in respect of any such action taken by those persons or bodies to alleviate the potential effects of the Covid-19 virus within the local community.

The Authority received £35.4m Business Support Grant at the beginning of April 2020 and is required to administer payment of individual grants to qualifying businesses to assist them during the Covid-19 crisis.

As at 7/5/2020 £25m had been dispersed, leaving c£10m remaining. Claims against the grant, while continuing to be seen, have slowed considerably.

To date, the Treasury function has rolled over the reducing balance with Debt Management Office (DMO) each day. This is an officer intensive process and carries execution risk. Whilst this was fully warranted during the early phase of the Covid-19 shutdown a new approach is proposed to enable the function (and wider Finance staff involved) to prioritise other tasks.

The change to the TMSS will allow the continued security of BSG but increase the resilience of the service as it will mean Treasury staff and other finance colleagues responsible for approving, releasing, allocating and monitoring the payments are required less.

12. Human Resource Comments (Head of People and Culture or nominee)

There are no direct HR implications contained within this ODR.

13. Risk Assessment (in accordance with the Report Writing Guide)

To utilise the Blackrock Institutional Sterling Government Liquidity Fund. This fund only invests in Sterling denominated Sovereign debt so offers a similar Credit Risk profile to DMO.

As one of our existing funds is also managed by Blackrock this will also mean the limit for Pooled Funds under same Group management limit (£5m) will need increasing.

Our Treasury Advisors, Link Asset Services have been consulted on this approach and are supportive.

The proposed new limits are

Blackrock Institutional Sterling Government Liquidity Fund - £10m
Blackrock Group Pooled Funds - £13m

These limits will apply solely for the use of residual BSG balances and will not be aggregated when calculating other general Treasury limits (except for the Blackrock MMF Group to the maximum level specified above).

The increased limits will apply only until BSG balances are exhausted or 31.12.2020 (whichever is sooner).

14. Decision Maker(s):

In in the absence of the named Director or Delegate a confirmatory email which is annexed to this record

Name: Robert G Walsh

Title: Joint Chief Executive

Signed: Robert G Walsh

Dated: 13th May 2020

15. Consultation carried out with Leader (Cllr Jackson):

Portfolio Holder for Finance and Resources (Cllr Shreeve)

Signed: Councillor Philip Jackson

Dated: 13th May 2020

Signed: Councillor Stan Shreeve

Dated: 12th May 2020

16. If the decision is urgent then consultation should be carried out with the relevant Scrutiny Chair/Mayor/Deputy Mayor

In in the absence of the named Member the Director has secured a confirmatory email which is annexed to this record

Name: Councillor Paul Silvester

Title: Chair of the Communities Scrutiny Panel

Signed: Councillor Paul Silvester

Dated: 12th May 2020

In the event of absence or incapacity of the Leader and/or Portfolio Holder for Finance and Resources the Director has consulted with the following (tick one box) and has secured either a signature above or a confirmatory email which is annexed to this record.

Name	Tick
Deputy Leader and Portfolio Holder for Regeneration, Skills and Housing (Cllr Fenty)	
Portfolio Holder for Environment and Transport (Cllr S Swinburn)	
Portfolio Holder for Health, Wellbeing and Adult Social Care (Cllr Cracknell)	
Portfolio Holder for Tourism, Heritage and Culture (Cllr Procter)	
Portfolio Holder for Children, Education and Young People (Cllr Lindley)	
Portfolio Holder for Safer and Stronger Communities (Cllr Shepherd)	

NOTE

Upon the expiration of the circumstances outlined above (or sooner if appropriate) this Emergency Officer Decision Record shall be referred to the Communities Scrutiny Panel to note.

APPENDIX 2 – copy of email approval

From: Rob Walsh (NELC) <Rob.Walsh@Nelincs.gov.uk>
Sent: 13 May 2020 07:13
To: Simon Jones (Chief Legal and Monitoring Officer) (NELC)
<Simon.Jones1@Nelincs.gov.uk>
Subject: FW: FW: Emergency decision: Business Support Grants ODR TMSS Flex 2

I also confirm support.

From: Cllr Philip Jackson (NELC) <philip.jackson@nelincs.gov.uk>
Sent: 13 May 2020 07:12
To: Cllr Stanley Shreeve (NELC) <Stanley.Shreeve@Nelincs.gov.uk>; Rob Walsh (NELC) <Rob.Walsh@Nelincs.gov.uk>
Cc: Simon Jones (Chief Legal and Monitoring Officer) (NELC)
<Simon.Jones1@Nelincs.gov.uk>
Subject: RE: FW: Emergency decision: Business Support Grants ODR TMSS Flex 2

Rob

I'm also content with this.

Regards
Philip

From: Cllr Stanley Shreeve (NELC) <Stanley.Shreeve@Nelincs.gov.uk>
Sent: 12 May 2020 23:12
To: Cllr Philip Jackson (NELC) <philip.jackson@nelincs.gov.uk>; Rob Walsh (NELC)
<Rob.Walsh@Nelincs.gov.uk>
Cc: Simon Jones (Chief Legal and Monitoring Officer) (NELC)
<Simon.Jones1@Nelincs.gov.uk>
Subject: Re: FW: Emergency decision: Business Support Grants ODR TMSS Flex 2

Rob,

Content with the decision

Cllr Stan Shreeve

Sent with Sophos Secure Email

On 12 May 2020 22:03, "Rob Walsh (NELC)" Wrote:
Philip / Stan

See below for consideration and requested approval.

Thanks

Rob

From: Simon Jones (Chief Legal and Monitoring Officer) (NELC)
<Simon.Jones1@Nelincs.gov.uk>
Sent: 12 May 2020 17:37
To: Rob Walsh (NELC) <Rob.Walsh@Nelincs.gov.uk>
Subject: Emergency decision: Business Support Grants ODR TMSS Flex 2

Rob.

I have now received confirmation from the Communities Scrutiny Chair, Cllr Silvester, as to his consent to the attached decision. Below. You are now able to brief Leader and Portfolio Holder for Finance and Resources in accordance with the emergency framework of governance implemented as a result of the COVID-19 emergency.

Confirmatory emails from yourself and Members are sufficient in that scheme to evidence the decision.

Upon completion the decisions and supporting email threads will be subject to publication.

Regards,
Simon.

Simon D Jones,
Chief Legal and Monitoring Officer
North East Lincolnshire Council
Municipal Offices, Town Hall Square, Grimsby, DN31 1HU | DX13536 Grimsby 1|
Telephone number (01472) 324004 | simon.jones1@Nelincs.gov.uk|

Stay home. Protect the NHS. Save lives.

From: PAUL SILVESTER
Sent: 12 May 2020 17:32
To: Simon Jones (Chief Legal and Monitoring Officer) (NELC)
<Simon.Jones1@Nelincs.gov.uk>
Subject: Re: Business Support Grants ODR TMSS Flex 2

Good afternoon Simon

I have read the emergency decision notices and my response as Chair of the Communities Scrutiny panel is as follows

1. Business Support Grants – Treasury considerations.= consent

Kind regards

Councillor Paul Silvester

From: Simon Jones (Chief Legal and Monitoring Officer) (NELC)
<Simon.Jones1@Nelincs.gov.uk>
Sent: 12 May 2020 15:44
To: Cllr Paul Silvester (NELC) <Paul.Silvester@nelincs.gov.uk>
Subject: Business Support Grants ODR TMSS Flex 2

Councillor.

To address the COVID-19 crisis, the Council has invoked emergency powers and put in place an emergency framework of governance.

This provides for the Chief Executive to be a decision maker in consultation with Leader and PFH for Finance and Resources.

Such decisions are captured on an Emergency Officer Decision Record.

Some records will relate to a single decision, others will contain a schedule of decisions.

In the main they are key decisions, usually the remit of Cabinet, but due to urgency cannot be entered onto the Forward Plan nor the usual 28 day notice given.

There are "special urgency" provisions in the Constitution whereby emergency decisions can be made, as long as the Chair of the appropriate Scrutiny Panel consents. This is a conscious consent.

Emergencies and civil contingencies are the remit of the Communities Scrutiny Panel.

As a matter of course, once the emergency dissipates and business can return to normal, ALL emergency decisions will be referred to your panel for noting.

As a result of social distancing and isolation, wet signatures cannot be obtained.

Therefore there will be reliance on an exchange of emails to evidence your consent.

This email and your response will be subject to publication in the interests of transparency.

On behalf of the Chief Executive I therefore seek your consent to the following (attached) decisions.

1. Business Support Grants – Treasury considerations.

I would suggest that in your response to simply state:

1. Consent/Don't consent;

I look forward to hearing from you as soon as possible.

Regards,
Simon.

Simon D Jones,
Chief Legal and Monitoring Officer
North East Lincolnshire Council
Municipal Offices, Town Hall Square, Grimsby, DN31 1HU | DX13536 Grimsby 1 |
Telephone number (01472) 324004 | simon.jones1@Nelincs.gov.uk