

Cheltenham Borough Council
Audit, Compliance and Governance Committee
22 September 2021
Business Grant Schemes

Accountable member	Councillor Peter Jeffries, Cabinet Member for Finance and Assets
Accountable officer	Jayne Gilpin, Head of Revenues and Benefits
Ward(s) affected	All
Key/Significant Decision	No
Executive summary	To provide members with a report on the administration of the Covid-19 Business Grant Schemes
Recommendations	The Committee notes this report

Financial implications	As detailed in the report Contact officer: Paul Jones paul.jones@cheltenham.gov.uk, 01242 775154
Legal implications	None directly arising from the report Contact officer: legalservices@onelegal.org.uk 01684 272012
HR implications (including learning and organisational development)	There are none associated with this report Contact officer: Julie McCarthy julie.mccarthy@publicagroup.uk Tel no: 01242 264355
Key risks	None arising from this reports
Corporate and community plan Implications	There are none associated with this report None
Environmental and climate change implications	None
Property/Asset Implications	There is nothing in this report which impacts on Council properties Contact officer: Gemma Bell, 01242 264124 gemma.bell@cheltenham.gov.uk

1. Introduction

- 1.1 The Government launched the first business grant schemes in March 2020 as part of its support measures when the first national lockdown due to the Coronavirus pandemic was announced.
- 1.2 The Revenues and Benefits “business Grants Team” has been responsible for delivery of the grants. Between March 2020 and July 2021 the team administered 13 separate grant schemes paying a total 10,501 grants worth £48.4 million to eligible businesses.
- 1.3 The table below shows the number of grants and total amount paid for each of the 13 schemes

Grant Scheme	Number paid	Amount Paid £
Small business grants (March-August 2020)	1,354	13,540,000
Retail hospitality & leisure grants (March-August 20)	475	9,490,000
Local Restrictions Grant - Closed Businesses November Lockdown	977	1,718,060
Wet Led Pubs Christmas Support Payment	53	53,000
Local Restrictions Grant - Open Businesses Tiers 2 & 3	824	422,572
Local Restrictions Grant - Closed Businesses Tiers 2 & 3	412	157,290
Local Restrictions Grant - Closed Businesses Tier 4	964	301,733
Local Restrictions Grant - Closed Businesses Jan-Feb 21 lockdown	967	2,539,089
Local Restrictions Grant - Closed Businesses Feb-Mar 21 lockdown	971	2,675,533
Closed Business lockdown top up payment Jan 21	968	5,083,000
Restart Grants Apr - Jul 21	921	7,291,384
Discretionary Grant Scheme June -July 2020	191	1,150,000
Additional Restrictions Grant (Discretionary) 5 rounds Nov 20- Jul 21	1,420	3,955,322
Total grants paid	10,501	48,409,649

2. Administration of Grants

- 2.1 The first phase of grants was announced by the Government in March 2020 along with other Covid-19 support measures. The grants were directed at small businesses and businesses in the non-essential retail, hospitality and leisure sectors.
- 2.2 The normal Revenues and Benefits work streams were immediately re-prioritised or suspended so that resources could be directed to implement Covid-19 support to businesses and residents.
- 2.3 Although we recognised the urgency required in getting the grants to businesses as quickly as possible strict processes needed to be followed to ensure payment only went to bona fide eligible businesses. As the initial schemes were for business ratepayers it was possible to identify the majority of businesses likely to be eligible for the grant. An application form along with verification and payment processes were quickly put in place and agreed with colleagues in Finance, Publica and Counter Fraud Unit.
- 2.4 The second phase of business grants was launched as the second lockdown was announced for November 2020 and continued through the tier restrictions, third lockdown from January to March 2021 and to help businesses re-opening in April 2021
- 2.5 The multiple schemes in phase two were in respect of periods that restrictions were in place with subsequent grant payments being made as restrictions were changed or extended. The processes adopted for the first phase of grants were revised and specific business grant software linked to the business rates system was purchased from Civica

so that the application process and recording of applications could be automated. It also assisted with the weekly and monthly reporting to BEIS of all grants paid.

- 2.6** The guidance documents issued by the Department of Business, Energy and Industrial Strategy (BEIS) for each scheme, were followed diligently by the team. In all cases, before a payment was made, thorough checks were made to verify businesses credentials and eligibility for the relevant scheme. These included checks against business rate records, bank account details, companies house, with landlords and in some cases visits to properties. Careful reconciliation was undertaken before each pay run was authorised and a master spreadsheet maintained to ensure accurate reporting to BEIS.
- 2.7** In addition to two phases of Government mandated schemes the Council has administered a discretionary scheme in June 2020 and five separate rounds of the Additional Restrictions Grant Scheme between November 2020 and July 2021. Over 3,300 grants totalling £5.1million have been paid in respect of discretionary schemes.
- 2.8** Although the Government gave some direction the Council was able to design the discretionary schemes to target support at businesses important to Cheltenham's economy, particularly the hospitality sector. The team's knowledge of local businesses, along with input from the Cabinet, the MP's office, Cheltenham BID and GFirst LEP enabled each scheme to be designed and open for applications quickly. Due to the thinking put into the initial design of the scheme, we were able to add or remove categories in each round so that support went to those businesses most impacted at the time each round was live. The majority of businesses supported by the scheme have successfully re-opened which demonstrates the success of the targeted approach.
- 2.9** Administering the grant schemes has been a significant amount of work in very challenging circumstances. New systems, processes and procedures have been set up in a matter of days and changed quickly to account for variations to rules, grant amounts and the rapid introduction of new schemes. The team has been under considerable pressure due to the speed and scale of the operation but also from businesses desperate to secure immediate payment, dealing with challenges from those businesses not eligible and businesses using fraudulent methods to try and secure grant payments. Staff constantly worked long hours and at weekends to ensure each scheme was introduced promptly and payments made to businesses as quickly as possible.
- 2.10** The prompt response when the first announcement was made resulted in Cheltenham being one of the first Councils in the country to start paying grants to businesses in March 2020. Punchline published an article applauding Cheltenham's work in distributing grants, referring to the positive comments received from the business community. Cheltenham was also shortlisted as a finalist in the CCLA/Room151 Impact Awards for its response to Covid-19 including administration of the business grants.
- 2.11** Nationally there has been a significant amount of fraudulent activity linked to the business grant schemes. Two companies that targeted Councils with fraudulent grant applications have recently been wound up in the High Court due to their actions. One of the companies did attempt to acquire a grant in Cheltenham. Due to the administration of grants being undertaken by a small but very experienced and knowledgeable team with a high level of verification it was unsuccessful. The Executive Director Finance and Assets made the decision early in the process not to publish grant payments under the transparency code. This prevented fraudsters from being able to identify businesses that had not received a grant but might be eligible and then submitting fraudulent applications. A total of twelve grants were paid incorrectly or due to false or fraudulent applications. One was repaid by the bank and eleven invoices have been issued to recover grant payments. Of the eleven, nine were repaid quickly and the Counter Fraud Unit are taking action to recover the two that have not been repaid.

2.12 Although the business grants team undertook the majority of the administration of grants it has been a “Team Cheltenham” effort. Members assisted with checking business premises and making businesses in their wards aware of the grants. Finance have helped manage the funding received and approved the multitude of payment runs. The Communications team made numerous press releases and social media posts for each scheme. The Executive Director Finance and Assets provided constant support and guidance. The team was also supported by our partners in the Counter Fraud Unit, Publica, and Internal audit.

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Appendices	
Background information	None

