

## **Report to the Deputy Leader of the Council**

**Subject:** Business Recovery Grant - Storm Babet

**Date:** 17 November 2023

**Author:** Interim Corporate Director

### **Wards Affected**

All

### **Purpose**

The purpose of this report is to seek approval to implement the Business Recovery Grant Scheme – Storm Babet 2023 (BRG), and to delegate administration and decision making under the scheme to the relevant Director in accordance with guidance issued by the Department for Business and Trade (DBT).

The report also seeks delegation to Director level to sign the memorandum of understanding with DBT in relation to BRG.

### **Key Decision**

This is not a key decision.

### **Recommendation(s)**

#### **THAT the Deputy Leader of the Council:**

- 1) Approves implementation of the Business Recovery Grant Scheme – Storm Babet
- 2) Delegates to the relevant Director, the authority to administer and determine all applications for grants under the scheme in line with DBT guidance at Appendix 1 and any further guidance issued.
- 3) Delegates authority to Director level to complete the Memorandum of Understanding issued by DBT to enable participation in the Business Recovery Grant Scheme – Storm Babet

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## **1 Background**

- 1.1 In 2017, the Government produced a Flood Recovery Framework (FRF) which is a framework for use in a severe weather event with significant wide area impacts. The triggering of this framework is intended to provide local authorities with central support to help their communities and businesses return to normal. The Framework was updated in 2021 following impacts from flooding events in 2019 and 2020.
- 1.2 The Government's FRF was triggered on 25<sup>th</sup> October 2023 in response to severe flooding events which occurred following Storm Babet. On 3 November 2023, the Leader of the Council agreed to the implementation of three flood schemes in the borough, specifically the Community Grant Scheme, Council Tax Discounts and Business Rates Relief, all schemes administered by the Department for Levelling Up, Housing and Communities (DLUHC). On 9 November the Leader agreed implementation of the Property Flood Resilience Repair Grant Scheme administered by the Department for Environment, Food and Rural Affairs. Subsequently the Local Lead Flood Authority (LLFA) have agreed to offer some support to districts in the administration of that scheme.
- 1.3 On 10 November, DBT issued a memorandum of understanding to Local Authorities in relation to another scheme under the FRF, namely the BRG. Whilst it was initially understood this would be administered by the County Council as LLFA, it has now been determined that this will be administered by the Districts.
- 1.4 DBT have issued a Memorandum of Understanding to be completed by the districts to confirm acceptance of the scheme.
- 1.5 The BRG scheme, provides a one-off grant payment of £2,500 to eligible businesses, payment is linked to an individual property occupied by that business where that property has been adversely affected by Storm Babet. The business may have been directly impacted by flood damage to the property or indirectly affected where access to the business premises was severely restricted as a result of flooding including for example restricted access to customers, suppliers or staff.
- 1.6 In order to claim under the BRG businesses must be a small business enterprise (SME) at the point of grant award, so must have fewer than 250 employees and have a turnover of less than 50 million euros or a balance sheet total less than 43million euros. The business must also have been trading from the premises affected at the point the property was impacted by Storm Babet.

- 1.7 Local authorities must ensure appropriate processes and checks in place to enable businesses to apply for the BRG and confirm eligibility. Businesses must provide a declaration as part of the application process to confirm they are an SME. DBT will shortly be issuing example application forms and eligibility checklists to support authorities administering the scheme.

## **2 Proposal**

- 2.1 It is proposed that approval is given to implement the BRG scheme in the borough as the eligibility criteria, of over 50 properties flooded as a result of Storm Babet across the LLFA is satisfied.
- 2.2 It is proposed that the Deputy Leader delegates the authority to administer the BRG scheme to Director level. The scheme is to be administered in accordance with the DBT guidance and decisions taken as to eligibility to be delegated to Director level.
- 2.3 It is proposed that delegation is given to Director level to complete the memorandum of understanding with DBT that enables the Council to access the scheme. This must be completed by 17 November 2023.

## **3 Alternative Options**

- 3.1 An alternative would be not to implement the scheme locally, however this would be contrary to Government expectation and recommendation and would not enable financial support to those businesses impacted by Storm Babet. Completion of the memorandum of understanding with DBT is required to access the BRG scheme.
- 3.2 Administration and determination of the schemes could remain with the Executive, however it is considered for expediency that delegation to director level will ensure decisions are taken without overburdening the executive.

## **4 Financial Implications**

- 4.1 Payment of the BRG are made by the Council following application sign off. Funds are provided as grants from government paid under s.31 of the Local Government Act 2003.
- 4.2 As with other flood schemes, the Council is acting as agent. In accordance with the Code of Practice on Local Authority Accounting, where a local authority acts as an agent, the transactions do not need to be reflected in authority's financial statements and therefore in this circumstance, a budget does not need to be established.

- 4.3 The administration of these schemes will create additional work for the Council's teams and at this stage it is not known whether any New Burdens grant will be available, therefore the work will be conducted within current resources.

## **5 Legal Implications**

- 5.1 The legal implications and mechanisms for funding are detailed in the report. Where payments are made to businesses, advice should be obtained in respect of any potential subsidy, in line with UK Subsidy regime.

## **6 Equalities Implications**

- 6.1 There are no specific equality implications arising out of this report. There may be applicants from different protected characteristics eligible for support under the various schemes. The amount of financial support is not based on any particular characteristic and is available to any business impacted by the flooding in line with the scheme guidance.

## **7 Carbon Reduction/Environmental Sustainability Implications**

- 7.1 There are no direct carbon reduction/sustainability implications arising from this report.

## **8 Appendices**

- 8.1 Appendix 1 – Business Recovery Grant Scheme Storm Babet 2023 Guidance for Local Authorities.

## **9 Background Papers**

- 9.1 None

## **10 Reasons for Recommendations**

- 10.1 To ensure swift implementation of flood recovery schemes so that businesses impacted by Storm Babet can receive some financial support.
- 10.2 The delegations are requested in order to ensure that no unnecessary burden is placed on the Executive.

**Statutory Officer approval**

**Approved by:**  
**Date:**

**Chief Financial Officer**

**Approved by:**  
**Date:**

**Monitoring Officer**