

COVID Business Grants Programme Board – Minutes

Meeting Date & Time: 31 January 2022, 12.30

Meeting Agenda:

#	Item	Lead
1	Overview of New Grants	Anastasia Osbourne
2	New Risk Update	NR
3	New Burdens 6&7	NR
4	Programme Board Terms of Reference	NR

In Attendance:

Member	Role
Anastasia Osbourne	SRO, Director, Business Investment
Agnes Estibals	Deputy Director, COVID Business Grants Programme
Simon Green	Deputy Director, Economic Surveillance
Catherine Banks	Deputy Director, BEIS Finance
Kim Humberstone	Deputy Director, BEIS Finance Reporting
Laura Higgins	Deputy Director, Counter-Fraud BEIS
NR	Senior Lawyer, BEIS Legal
NR	(representing Ivana Gordon) Cabinet Office
NR	Growth and Business Strategy HMT
NR	Local Government Association
Ian Davison	CEO, Tendering District Council
Kevin Stewart	BUL Revenues and Benefits, Mid-Sussex DC
Name Redacted	Head of Finance Management
	Head of Engagement
	Head of Programme & Policy
	Head of Monitoring and Analysis
NR	Programme PMO
NR	Programme PMO
NR	Monitoring & Evaluation

Apologies: Ivana Gordon, Kate Josephs, Kathryn Hall

1. Overview of the New Grants – Anastasia Osbourne

- AO welcomed the Board members to the meeting and thanked the LA representatives for working with the programme team to deliver the new grants quickly at the start of the new year. She acknowledged the immense pressure that the LAs are experiencing in making the grants available to businesses while delivering on existing obligations and assured that payment of New Burdens 6&7 is underway, with the first set of payments to be made to LAs within the next few weeks.
- NR thanked AO and noted that the LGA and some LAs have recently written letters providing feedback to the Secretary of State and the Permanent Secretary. NR questioned the rationale for including businesses such as holiday lets, while businesses such as personal care services were not

included. He noted that LAs were not consulted about the guidance drafting and were not allowed discretion in delivering the funds to businesses in contrast to previous grants.

AO responded that the team had to make a judgement call to get the Guidance out early to enable LAs provide the grants to affected businesses as quickly as possible, hence the inability to consult with LAs on the Guidance drafting was due to the tight timescales to get funding out to LAs.

On the point on holiday lets, **NR** replied that the guidance around holiday lets reflected the concerns from LAs. It sets out that where a holiday lets businesses is not able to demonstrate they were in receipt of income from the premises, for example in the preceding 6 months, they are unlikely to be eligible for OHLG. This reflects changes due to come into effect in April 2023 which will close an existing tax loophole.

- **NR** commended the programme team for providing flexibility to LAs by extending the OHLG application deadline and encouraged a continued focus on assurance activity to ensure that there is accountability by LAs to BEIS in reference to recent public scrutiny regarding Bounce Back loans.
- **KS** applauded the programme for issuing the guidance very quickly after the new grants announcement and for the support offered to LAs by extending the application deadline to 18 March. He commented that the eligible business types were not clear to LAs and that many LAs have only a small front-line team working on the grants. This combined with no discretion in the OHLG scheme, and the assurance and reconciliation work presented additional challenges. He noted that the guidance from HMT and BEIS regarding the allocation profile to LAs were not aligned and that some LAs had spent all previous ARG allocation and the relatively small ARG third top up sums was more difficult for LAs to spend given the relatively small sums businesses would receive. **ID** reflected that OHLG was not discretionary and therefore LAs could not determine which businesses to include in eligibility.
- **NR** responded that the decision around eligible business sectors was out of BEIS' control. The context in which decisions were taken was during a period of economic uncertainty and public media scrutiny. The priority for the Chancellor was to deliver the funds to businesses as quickly as possible, with little time for consultation. This may have resulted in the policy outcome being impacted by the speed of delivery. A different approach would have significantly delayed the delivery of the scheme. It is not always possible to share the politics behind these decisions at the time and there was a trade-off between speed of delivery and adopting an allocation profile that was not perfect, but generally acceptable.

2. New Risk Update

- **NR** presented the risk around LAs being unable to undertake required reconciliation, assurance, and debt recovery activities due to the requirement to deliver the new grants. He reiterated that the programme team has listened to LAs and have provided some easements such as extension of the application deadline, reduction in frequency of reporting from weekly to fortnightly, and the payment of New Burdens to support the administration of the new schemes. The next New Burdens payment to LAs will be in February.
- **KS** stated that he would like to see the revised timetable for the reconciliation and assurance work and highlighted that the lessons learned from the earlier processes should be taken on board.
- **NR** responded that the programme team is currently working on a plan and finetuning key messages, which will address financial management and stakeholder engagement requirements and deadlines. This will be circulated to LAs in due course.

3. New Burdens 6 & 7

- **NR** presented the methodology for payments of the New Burdens 6 & 7 aimed at supporting LAs for delivery (NB6) and assurance (NB7) of the new grants. A total amount of £15,315,342 has been approved by HMT for NB6, this will be paid in February. NB7 funds will subsequently be confirmed by HMT. Both OHLG and ARG top up are accounted for in the New Burdens allocations.
- **NR** stated that a similar approach as the last round of New Burdens payment will be taken, however this does not mean each LA will receive the same funding, given the different scope of OHLG. LAs with relatively higher numbers of hospitality and leisure firms will receive a greater share of funding. The number of delivery payments will also be scaled down compared to the number of Restart payments made.
- **AO** sought the Board's approval, and the Board approved the NB 6&7 methodology.

4. Programme Board Terms of Reference (ToR)

- **NR** sought approval of the Board's ToR which has been updated to reflect the Board's responsibility for oversight of the new OHLG and ARG third top up, and other minor amendments on timing of minutes and dispatch of papers to the Board. **AO** sought the Board's approval, and the Board approved the updated ToR.
- **NR** commented that it will be useful to have more in depth discussions around reconciliation, assurance, debt recovery activities and risks in future.
- **ID** suggested a discussion around the messaging on fraud at the next Board meeting.
- **KS** enquired if the debt repayment assignment agreement that was due to be signed by LAs and returned on Jan 31 included information on the new grants, **NR** responded that her team would revert shortly with further information on the reporting requirements for the new schemes. **KS** also commented that some emails sent out to LAs on this did not go to the correct recipient; he requested an extension to the deadline of Jan 31 for the expected return, if possible.
- **AO** thanked everyone and reminded everyone that the Board agreed to operate at a strategic level. February Board meeting will include fraud, at a strategic level. **AO** brought the meeting to a close.
- Date of next meeting: **February 22**

Actions from above:

Ref	PB Actions	RAG	Owner	Target Date
PBA 04	Communicate the plan and requirements for assurance for the new schemes to LAs		NR	Feb 2022
PBA 05	Present a paper on Fraud management messaging at the Feb Board meeting		LH	Feb 2022