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## **NOTICE OF EXECUTIVE DECISION TO BE MADE**

The following Executive Decisions are due to be made by the CABINET MEMBER FOR BUSINESS TRANSFORMATION AND CUSTOMERS on TUESDAY, 26 JANUARY 2021.

1. Additional Restrictions Grant Scheme Addendum (January 2021) (CB000L) (Pages 3 - 18)

Reports relating to the decision(s) to be taken are attached to this notice, unless they contain confidential or exempt information. A meeting will not necessarily take place when the decision is made. Please contact Democratic Services for more information.

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## For publication

### **Additional Restrictions Grant Scheme Addendum (January 2021)**

<b>Meeting:</b>	Cabinet Member for Business Transformation and Customers
<b>Date:</b>	26 January 2021
<b>Cabinet portfolio:</b>	Business Transformation and Customers
<b>Directorate:</b>	Digital, HR and Customer Services

#### **1.0 Purpose of the report**

- 1.1 To approve the Additional Restrictions Grant Scheme Addendum (January 2021) for Chesterfield Borough Council.

#### **2.0 Recommendations**

- 2.1 That the Additional Restrictions Grant Scheme Addendum (January 2021) for Chesterfield Borough Council is approved and implemented.
- 2.2 That the Service Director – Digital, HR and Customer Services, in conjunction with the Service Director – Economic Growth and the Cabinet Member for Business Transformation and Customers, is given delegated authority to complete regular reviews of the scheme, ensuring Grant funds are fully utilised for the benefit of local businesses.

#### **3.0 Reasons for recommendations**

- 3.1 To enable Chesterfield Borough Council to widen eligibility for the Additional Restrictions Grant Scheme, to the benefit of local businesses and the local economy.

#### **4.0 Report details**

- 4.1 On 31 October 2020, the Government announced the introduction of a new funding scheme, known as the Additional Restrictions Grant

scheme, which enables Local Authorities to provide additional support to businesses which are under national and local restrictions.

- 4.2 In January 2021, the Government provided further funding to Local Authorities to provide extra help following implementation of the latest national lockdown restrictions.
- 4.3 Chesterfield Borough Council has been allocated a further £931,832 in addition to its earlier grant award of £2,098,000. Funds can be used across financial years 2020/2021 and 2021/2022.
- 4.4 Appendix A of this report sets out the revised eligibility criteria for the Additional Restrictions Grant scheme for Chesterfield Borough and the evidence which will need to be provided by businesses in support of their applications to the scheme.

## **5.0 Alternative options**

- 5.1 Consideration has been given to providing targeted support to specific businesses, or specific business sectors, which would enable larger levels of grant assistance to be made. However, taking this approach would mean that a significant number of small and micro businesses within the Chesterfield locality would not receive support, leaving many businesses vulnerable to the adverse economic impact created by the pandemic. This approach has therefore been disregarded.

## **6.0 Implications for consideration – Council Plan**

- 6.1 Development and delivery of the Additional Restrictions grant scheme will support our Council Plan priority to make Chesterfield a thriving borough, by providing financial support to local businesses who have been adversely impacted by the coronavirus pandemic.

## **7.0 Implications for consideration – Financial and value for money**

- 7.1 Chesterfield Borough Council has been allocated £3,029,832 to support Chesterfield businesses and our local economy. The funding is available to provide support to Chesterfield businesses up to March 2022.
- 7.2 Appendix A of this report provides a breakdown of how much of this funding has been set aside to support business sectors.

7.3 Delegated authority is sought for the Service Director – Digital, HR and Customer Services, in consultation with the Service Director – Economic Growth and the Cabinet Member for Business Transformation and Customers, to complete regular reviews of the scheme, ensuring Grant funds are fully utilised for the benefit of local businesses.

7.4 New burdens funding will be provided by the Government to support the administration of this scheme.

**8.0 Implications for consideration – Legal**

8.1 Section 1 of the Localism Act 2011 provides Local Authorities with the powers to make these grant payments.

8.2 Privacy notices and Data Protection impact assessments have been completed for this new process.

8.3 Chesterfield Borough Council will provide regular progress updates to Central Government with regards to the development and implementation of its Additional Restrictions Grant scheme.

**9.0 Implications for consideration – Human resources**

9.1 Responsibility for implementation of the scheme will rest with the Service Director – Digital, HR and Customer Services, supported by several officers from across the Council, who have been brought together to form a temporary business grants team.

**10.0 Implications for consideration – Risk management**

Description of the Risk	Impact	Likelihood	Mitigating Action	Impact	Likelihood
Over subscription of the grant	High	High	The Policy provides clarity on the eligibility for the scheme. Regular review mechanisms have been built into the administration	High	Low

			of the scheme, ensuring that as many Chesterfield businesses as possible can benefit from funding.		
Administration backlogs will delay grant payments made to Chesterfield businesses	High	High	Adequate resources have been identified to support this process, with the ability to scale the team where necessary	High	Low
Grant payment is made to ineligible people.	High	Medium	The policy provides clarity on grant eligibility. The process for grant payment requires supporting evidence to be submitted. The application is clear that ineligible payments will be subject to recall and possible fraud investigation	Medium	Low

## **11.0 Implications for consideration - community wellbeing**

- 11.1 The provision of financial support to eligible businesses during this challenging period will go some way towards strengthening their ongoing viability and as a consequence, may help to limit unemployment levels within the borough. Taking this action should have a positive impact on the mental wellbeing of the men and women that make up our business community, many of which are already asking for additional support to keep their businesses afloat.

## **12.0 Implications for consideration - Economy and skills**

- 12.1 The Additional Restrictions Grant scheme is directed at those businesses who are not eligible to receive the Local Restrictions Grant, but which have been significantly impacted by the coronavirus pandemic.
- 12.2 Funding of £1,000,000 will be retained to support Chesterfield businesses in the event that further national or regional restrictions are implemented and / or to provide strategic support to invigorate the local economy as Chesterfield borough recovers from the coronavirus pandemic.

### **13.0 Implications for consideration – Climate Change**

- 13.1 The Council has developed an online application form and will ensure that grant payments are credited directly to business bank accounts. This will reduce the need for paper transactions and travel between business premises and council offices.

### **14.0 Implications for consideration – Equality and diversity**

- 14.1 The scheme has been developed to ensure that businesses excluded from the Local Restrictions Grant scheme within Chesterfield borough can receive support during the period that national and local restrictions are in place, subject to meeting the scheme's eligibility criteria.
- 14.2 The current scheme eligibility ensures that the value of grant is awarded based on the level of ongoing fixed business costs and the trading losses experienced.
- 14.3 Eligibility for the scheme will be regularly reviewed to reflect the impact of national and local restrictions.

## Decision information

<b>Key decision</b>	<b>Decision taken under delegated authority granted by the Cabinet Member for Business Transformation and Customers on 13 November, 2020.</b>
<b>Wards affected</b>	<b>All wards</b>

## Document information

<b>Report author</b>	
Tina Peet, Internal Auditor Rachel O'Neil, Service Director - Digital, HR and Customer Services	
<b>Background documents</b>	
These are unpublished works which have been relied on to a material extent when the report was prepared.	
<i>This must be made available to the public for up to 4 years.</i>	
<b>Appendices to the report</b>	
Appendix 1	Additional Restrictions Grant Addendum (January 2021) for Chesterfield Borough

# **Chesterfield Borough Council Additional Restrictions Grant Scheme – Addendum**

## **1.0 Introduction**

- 1.1 On 31 October 2020, the Government announced the introduction of a new funding stream known as the Additional Restrictions Grant. This funding stream enables Local Authorities to provide additional support to businesses which are under national and local restrictions because of the coronavirus pandemic. The Additional Restrictions Grant can be used to provide discretionary business grants and wider business support activities across Chesterfield Borough.
- 1.2 On 5 January 2021, the government announced further funding to Local Authorities to enable them to provide ongoing support to businesses following the latest national lockdown restrictions.
- 1.3 Chesterfield Borough Council is responsible for administering the Additional Restrictions Grant Fund to businesses located within its boundaries.
- 1.4 The Council was originally allocated funding of £2,098,000 for this grant scheme, to be used across the financial years 2020/2021 and 2021/2022. It has now been allocated further funding of £931,832 to provide extra support following implementation of the latest national lockdown restrictions.
- 1.5 Eligibility criteria for the Additional Restrictions Grant scheme has been reviewed following receipt of this further funding and this addendum sets out the eligibility criteria for the Additional Restrictions Grant and the evidence which will be required to support an application from 25 January 2021.

## **2.0 Scope of the Fund**

- 2.1 The Government guidance issued on 4 November 2020 gives the Council discretion over the Additional Restrictions Grant scheme.
- 2.2 The Council intends to utilise £2,029,000 of the funding stream in the form of discretionary grant payments to eligible businesses. These may be monthly or fixed grant payments, depending on the business

sector. The remaining £1,000,000 will be retained to provide additional business support and will be utilised to re-invigorate the local economy as Chesterfield Borough and its businesses recover from the coronavirus pandemic.

- 2.3 It is therefore proposed that Additional Restrictions Grant funding will be prioritised to the following sectors:

**Small and Micro Businesses with no rateable value**

2.3.1 Up to £669,000 will be made available to small and micro businesses who are ineligible for the government's Local Restrictions Support Grant because they do not pay business rates and who are in, or who supply goods and services to the following sectors:

- A) Leisure
- B) Hospitality
- C) Personal Care
- D) Other non-essential retail

**Taxi Drivers**

2.3.2 Up to £360,000 is to be made available to taxi drivers who live in the borough and who have suffered loss of income as a result of the local national restrictions, impacting on their trade;

**Supply chain**

2.3.3 Up to £500,000 is to be made available to businesses in the supply chain of those businesses forced to close due to the national lockdown and who have seen a reduction in their turnover as a result;

**Other businesses severely impacted by the pandemic**

2.3.4 Up to £500,000 is to be made available to support businesses who have been severely impacted by the coronavirus pandemic and who have not received a business support grant previously.

**Eligibility**

- 2.4 To be eligible for a grant under the scheme, businesses must:
  - 2.4.1 Have been trading on 4 November 2020
  - 2.4.2 Have ongoing fixed business costs, and/or meet the scheme requirements relating to particular business sectors, e.g. taxi drivers.
  - 2.4.3 Be able to demonstrate that they have had a drop in turnover.
  - 2.4.4 Not be in administration, insolvent or in receipt of a striking off notice at the time of grant award.
  - 2.4.5 not be considered to have a detrimental impact on the borough, e.g. breach of statutory notice
- 2.5 To be a small business, under the Companies Act 2006, businesses must satisfy two or more of the following requirements in a year:
  - 2.5.1 Turnover: Not more than £10.2 million
  - 2.5.2 Balance sheet total: Not more than £5.1 million
  - 2.5.3 Number of employees: less than 50 employees
- 2.6 To be a micro business, under the Companies Act 2006, businesses must satisfy two or more of the following requirements in a year:
  - 2.6.1 Turnover: Not more than £632,000
  - 2.6.2 Balance sheet total: Not more than £316,000
  - 2.6.3 Number of employees: less than 10 employees
- 2.7 To be eligible for the Taxi scheme, drivers must be licensed in Chesterfield as at 1 January 2021, and living and working within Chesterfield borough.

### **3.0 The Council's approach**

- 3.1 The Council will accept applications for the Additional Restrictions Grant addendum scheme from week commencing 25 January 2021 and the new eligibility criteria will be backdated to 5 January 2021.

- 3.2 Applicants who have already been awarded an Additional Restrictions Grant during the 1<sup>st</sup> round of the scheme will not be required to reapply and their eligibility for additional grant support will be reassessed automatically.
- 3.3 New applicants will be required to register for an online account through the secure 'My Chesterfield' customer portal, which can be accessed from the Council website at [www.chesterfield.gov.uk](http://www.chesterfield.gov.uk). The online application form for the Additional Restrictions Grant can then be accessed through the 'My Chesterfield' portal. If a business needs help to apply they can call our Customer Service Centre on 01246 345345, and our Customer Services Advisors will be able to assist.
- 3.4 If a monthly grant is awarded, this will be paid as one amount, covering the period 5 January 2021 to 31 March 2021, within 7 days of grant approval. If national or local restrictions remain in place after 31 March 2021, the appropriate recurring grant payment will be made automatically. One off grant payments will be paid to businesses within 7 days of grant approval.
- 3.5 The Council will review the Additional Restrictions Grant scheme at least on a quarterly basis, up to 31 March 2022, to ensure that the funds are fully utilised for the benefit of local businesses. Further information about the eligibility criteria for future releases of Additional Restrictions Grant funding will be publicised at the appropriate time.
- 3.6 The Council reserves the right to vary the terms of the scheme at any time, and without notice, should it be necessary to do so.

#### **4.0 Evidence required to support the grant application**

- 4.1 Businesses will need to explain the impact that the coronavirus pandemic has had on their business when completing the online application form.
- 4.2 In addition, Chesterfield Borough Council requires businesses to demonstrate that they meet the eligibility criteria for the priority sectors described at paragraph 2.4.

#### **Small and Micro Businesses**

4.2.1 If you are a small or micro business in the leisure, hospitality, personal care or entertainment sector and your premises does not have a rateable value, you will need to upload:

4.2.1.1 Evidence of the level of fixed business costs incurred, such as rent or mortgage payments and gas/electricity/insurance costs. This should take the form of copies of leases/agreements/utility statements etc showing an obligation to pay and bank statements showing that payments have been made.

4.2.1.2 Evidence to demonstrate a substantial reduction in turnover as a result of the current restrictions. This is likely to be in the form of management accounts or bank statements, comparing turnover for the period of the coronavirus pandemic against that for the previous year.

4.2.1.3 Confirmation of State Aid compliance

### **Taxi drivers**

4.2.2 If you are a taxi driver you will need to provide your taxi licence number and a copy of your bank statement.

### **Supply Chain**

4.2.3 If you are a business that operates in the supply chain of businesses who have been forced to close; you will need to provide:

4.2.3.1 Evidence of the level of fixed business costs incurred, such as rent, rates or mortgage payments and gas/electricity/insurance costs. This should take the form of leases/agreements/utility statements etc showing an obligation to pay and bank statements showing that payments have been made.

4.2.3.2 Evidence to demonstrate a substantial reduction in turnover as a result of the current restrictions. This is likely to be in the form of management accounts or bank

statements comparing turnover for the period of the coronavirus pandemic against that for the previous year.

4.2.3.3 Confirmation of State Aid compliance.

4.2.3.4 Evidence of the businesses you supply to.

### **Other businesses severely impacted**

4.2.4 If you have been severely impacted by the coronavirus pandemic and have not received any form of business grant previously, you will need to provide:

4.2.4.1 Evidence of the level of fixed business costs incurred, such as rent, rates or mortgage payments and gas/electricity/insurance costs. This should take the form of leases/agreements/utility statements etc showing an obligation to pay and bank statements showing that payments have been made.

4.2.4.2 Evidence to demonstrate 'severe' impact as a result of the current restrictions. This is likely to be in the form of management accounts or bank statements.

4.2.4.3 Confirmation of State Aid compliance.

4.2.5 If you are applying for this grant, it is likely that the Council will need to contact you for additional information relevant to your particular business circumstances and in order to determine the level of grant that might be available to you.

## **5.0 State aid**

5.1 There is a requirement for all grants made under this scheme to be state aid compliant, please see the further guidance on this at [State Aid Guidance](#).

## **6.0 Grant amounts and how payments will be made**

### **Small and Micro Businesses / Supply Chain Businesses**

6.1 There are 5 tiers of grant award for this scheme. An application assessment will be completed having due regard to the level of fixed business costs and the level of lost income incurred due to the coronavirus pandemic. Whilst ever Chesterfield Borough is subject to national and local lockdown restrictions, the grant amounts awarded will be:

- Tier 1 up to £500 grant (per 28-day period)
- Tier 2 up to £750 grant (per 28-day period)
- Tier 3 up to £1,334 grant (per 28-day period)
- Tier 4 up to £2,000 grant (per 28-day period)
- Tier 5 £3,000 grant (per 28-day period)

6.2 The level of award will be determined on the basis of the following grid.

<i>Impacts</i>	<i>Question</i>	<i>Answer</i>	<i>Score</i>	<i>Weighting</i>
Number of employees	How many employees do you have?  (no of FTE)	Sole trader	1	3
		1-2	1	
		3-10	3	
		11-49	5	
Level of property costs	What are your annual business premises costs?	<£5000	1	3
		£5001 - £15000	3	
		>£15001	5	
Trading status	Impact of COVID-19 on trading	Open throughout/full trading	1	1
		Partial trading / recently opened / restricted to trading online	3	

		Closed throughout / no trading	5	
Financial impact	Impact on turnover	50% + down	5	2
		49 – 31% down	3	
		30 – 20% down	1	
	Is this your sole source of income	Sole	5	1
		Primary >50%	3	
		<49 – 33%	1	
		<33%	0	
Score	Level of grant applicable			
<20	Tier 1			
21 – 29	Tier 2			
30 – 39	Tier 3			
40 – 49	Tier 4			
50	Tier 5			

### **Taxi Drivers**

6.3 A flat payment of £500 is to be paid to each licensed taxi driver

### **Other businesses**

6.4 One off grant payments will be determined based on individual business circumstances. Grant awards will range from £500 to £25,000.

6.5 Grant payments will be made direct to the businesses' bank account by faster payment. Businesses must supply a copy of their bank statement to enable payment verification.

## **7.0 Other information**

7.1 Grant income received by a business is taxable therefore funding paid under the Additional Restrictions Grant scheme will be subject to tax. Only businesses which make an overall profit once grant income is included will be subject to tax.

7.2 The Government and Chesterfield Borough Council will not accept deliberate manipulation and fraud and any business caught falsifying their records to gain grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error.

7.3 Businesses are required to declare that by accepting the grant payment, they confirm that they meet the criteria for the grant scheme and that the information they have provided is accurate.

7.4 Businesses are required to declare that any payments accepted will be in compliance with State Aid requirements.

7.5 The Council does not accept any liability for any issues that may arise for businesses because of applying for, receiving, or not receiving grant payments under this scheme.

7.6 Enquiries about the scheme should be emailed to [grants@chesterfield.gov.uk](mailto:grants@chesterfield.gov.uk)

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