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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 FRIDAY, 9 APRIL 2021.

1. Additional Restrictions Grant Scheme Addendum (April 2021) (CB000L)  
(Pages 3 - 14)

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 (April 2021)**

<b>Meeting:</b>	Cabinet Member for Business Transformation and Customers
<b>Date:</b>	09 April 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 (April 2021) for Chesterfield Borough Council.

#### **2.0 Recommendations**

- 2.1 That the Additional Restrictions Grant Scheme Addendum (April 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 distribute Additional Restrictions Grant Scheme funding, to the benefit of local businesses and the local economy.

#### **4.0 Report details**

- 4.1 Chesterfield Borough Council has been allocated a total of £3,029,832 to enable it to provide additional support to businesses which are

under national and local restrictions as a result of the coronavirus pandemic. The Government had originally advised that the funds were to be used across two financial years, 2020/2021 and 2021/2022.

4.2 In March 2021, however, the Government advised that further Additional Restrictions Grant funding would be made available to Local Authorities from 1 April 2021 on the proviso that existing grant allocations had been fully allocated to local businesses.

4.3 Chesterfield Borough Council had resolved to retain £1,000,000 of Additional Restrictions Grant funding to support Chesterfield businesses in the event that further national or regional restrictions were implemented in 2021/2022 and to fund bespoke business support and advice to help invigorate the local economy as Chesterfield borough recovers from the coronavirus pandemic. In order to maximise the availability of further Government grant support to Chesterfield businesses, it is recommended that the current scheme is revised and that the retained grant funds are made available immediately to eligible local businesses.

4.4 Appendix A of this report sets out revised eligibility criteria for the Additional Restrictions Grant Scheme.

## **5.0 Alternative options**

5.1 Consideration has been given to continuing to provide regular monthly grant payments to affected businesses during 2021/2022, but taking this approach would mean that the Council would not receive further funding from the Government and Chesterfield businesses would not benefit from the Council being able to access the maximum amount of Government grant support available to it. This approach has therefore been disregarded.

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

6.1 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 to date been allocated £3,029,832 in Additional Restrictions Grant funding to support Chesterfield businesses and our local economy. The funding had originally been allocated to enable the Council to provide support to Chesterfield businesses up to March 2022. However, the Government has since resolved to make available further grant money on the proviso that the original allocation is fully defrayed prior to June 2021.
- 7.2 Appendix A of this report provides further detail of how the £1,000,000 which had been set aside, will be used to further support businesses.
- 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 provides 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 rests 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. Temporary recruitment may be required to sustain timely and sound administration of the scheme as the Council's Customer Services Centre reopens to the public.

These posts will be funded via the new burdens funding that the Council has received.

## 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 of the scheme, ensuring that as many Chesterfield businesses as possible can benefit from funding.	High	Low
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 therefore, 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 which are not eligible to receive the Local Restrictions Grant, but which have been significantly impacted by 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 Coronavirus pandemic, subject to meeting the scheme's eligibility criteria.

14.2 Eligibility for the scheme will be regularly reviewed to reflect the impact of national and local restrictions.

## Decision information

<b>Key decision number</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>	
<b>Damon Bruce, Head of Operations</b> <b>Rachel O'Neil, Service Director - Digital, HR and Customer Services</b>	
<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 (April 2021) for Chesterfield Borough

## **Chesterfield Borough Council Additional Restrictions Grant Scheme – Addendum (April 2021)**

### **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 to businesses which are located within Chesterfield Borough and to support wider business support activities in the area.
- 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 introduction of further national lockdown restrictions.
- 1.4 The Council had originally been allocated funding of £3,029,832 for this grant scheme, to be used across the financial years 2020/2021 and 2021/2022.
- 1.5 However, in the March 2021 budget, the Government advised that further Additional Restrictions Grant money would be made available to businesses but that local authorities would not receive this additional funding until their existing Additional Restrictions Grant funds have been utilised.
- 1.6 The Additional Restrictions Grant scheme has been reviewed in line with the latest Government guidelines, so that the availability of grant funding can be maximised for the benefit of Chesterfield businesses. This addendum sets out the revised eligibility criteria for the Additional Restrictions Grant and the evidence which will be required to support new applications.

### **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 Additional Restrictions Grant funding will be prioritised to the following sectors:

2.2.1 £669,000 of the grant funding has been set aside to support small and micro businesses in the leisure, hospitality and personal care sectors, and other non-essential retail businesses. The eligibility criteria will remain as defined in the scheme addendum approved on 25 January 2021.

2.2.2 £500,000 of the grant funding has been set aside to support 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. The eligibility criteria will remain as defined in the scheme addendum approved on 25 January 2021.

2.2.3 £500,000 of the grant funding has been set aside to support businesses who have been severely impacted by the coronavirus pandemic and need further help to cover their property costs. The Council will consider applications from businesses in non-essential retail, hospitality, leisure, personal care, and those businesses in the supply chain for these sectors. Priority will be provided to those businesses who have not received a business support grant previously.

2.2.4 The Council reserves the right to re-allocate funds across these sectors to ensure grant awards are effectively utilised.

2.2.5 The Council will utilise the remaining £1,000,000 of Additional Restrictions Grant to provide further immediate support to businesses.

2.2.6 Up to £600,000 will be made available to provide a closed business lockdown grant payment of £4000 to small and micro businesses who have been in receipt of an additional restrictions grant payment from 5 January 2021 and who have had to close.

2.2.7 Regular additional restrictions grants have been paid to eligible businesses up to and including 31 March 2021. However, as most businesses will not be reopening until 12 April 2021, up to

£160,000 will be made available to provide an additional 14-day grant payment covering the period 1 April 2021 to 14 April 2021.

2.2.8 £240,000 will be set aside to support business resilience initiatives across the borough of Chesterfield.

### **3.0 New Scheme details**

- 3.1 Applicants who have already been awarded an Additional Restrictions Grant will not be required to reapply for the closed business lockdown payment or the additional 14-day grant payment which will be made available to cover the national restrictions which will remain in place from 1 April 2021 to 12 April 2021. Eligibility for this additional grant support will be reassessed automatically.
- 3.2 Applicants who wish to apply for new micro and small business grants, supply chain grants, or who may wish to claim additional hardship grants in addition to their micro and small business grants, should do this via the 'My Chesterfield' customer portal. This can be accessed from the Council's website at [www.chesterfield.gov.uk](http://www.chesterfield.gov.uk). 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.
- 3.3 Grants will be paid within 7 days of grant approval.
- 3.4 The Council will review the Additional Restrictions Grant scheme on a quarterly basis, up to 31 March 2022, to ensure that available funds from government are maximised and 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.
- 3.5 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 Subsidy Allowances**

- 4.1 The EU State Aid rules no longer apply to subsidies granted in the UK post 31 December 2020. On 4 March 2021, new subsidy allowances were established for the COVID 19 business grant schemes. Applications made prior to 4 March 2021 are subject to the previous

EU State Aid rules. The new subsidy scheme is covered by three subsidy allowances:

- Small amounts of financial assistance allowance – businesses are allowed up to £335,000 (subject to exchange rates) over the latest and previous two fiscal years
- COVID-19 business grant allowance – businesses are allowed up to £1,600,000 over the latest and previous two fiscal years
- COVID-19 business grant special allowance – if you have reached your limits under the small amounts of financial assistance allowance and COVID-19 business grant allowance, you may be able to access a further allowance of funding under these scheme rules of up to £9,000,000, provided certain conditions are met.

Grants under these 3 allowances can be combined for a potential total allowance of up to £10,935,000 (subject to exchange rates).

## **5.0 Other information**

- 5.1 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.
- 5.2 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.
- 5.3 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.
- 5.4 Businesses are required to declare that any payments accepted will follow Subsidy Allowance Requirements.
- 5.5 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.

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

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