

For publication

Additional Restrictions Grant Scheme for Chesterfield Borough

| | |
|---------------------------|--|
| Meeting: | Cabinet Member for Business Transformation and Customers |
| Date: | 11 November 2020 |
| Cabinet portfolio: | Business Transformation and Customers |
| Directorate: | Customers, Commissioning and Change |

1.0 Purpose of the report

- 1.1 To approve the Additional Restrictions Grant Scheme for Chesterfield Borough Council.

2.0 Recommendations

- 2.1 That the Additional Restrictions Grant Scheme for Chesterfield Borough Council is approved and implemented.
- 2.2 That the Assistant Director – Customers, Commissioning and Change, in conjunction with the Assistant 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 proceed with the administration of its 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 Local Authorities will receive a one-off lump sum payment amounting to £20 per head of population and can use this funding to provide discretionary business grants and resource wider business support activities.
- 4.3 Chesterfield Borough Council has been allocated a grant award of £2,098,000, which can be used across financial years 2020/2021 and 2021/2022.
- 4.4 The Government has confirmed that no additional funding will be received if further restrictions are implemented and the Additional Restrictions Grant scheme has therefore been developed to provide flexibility, enabling us to quickly adapt and respond to the changing circumstances that our local businesses may face during the next seventeen months.
- 4.5 Appendix A of this report sets out the initial set of 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.
- 5.2 Consideration has also been given to providing an up-front one-off grant to local businesses, which can be utilised by local businesses now, as they see fit. Whilst this would ease the administrative burden, taking this approach would not enable the council to provide further assistance to businesses at a later date, when other support mechanisms, such as the furlough scheme and the self-employed support scheme, have ended. This approach has also therefore been disregarded on the basis of it being preferable for a substantive

element of the Additional Restrictions Grant scheme funding to be retained to support local businesses over the full term of the grant award period.

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 £2,098,000 to support Chesterfield businesses and our local economy. The funding is available to provide support to Chesterfield businesses up to March 2022.

7.2 It is recommended that the Council utilises £1,098,000 of this funding stream in the form of discretionary grants, which will be paid to eligible businesses for a 28-day period. Businesses will not need to complete a new application each month, but they will be asked to reconfirm their trading status each month if they are seeking further grant assistance.

7.3 It is recommended that the remaining £1,000,000 will be utilised to provide additional support in the event that further local or national restrictions are required and / or to provide strategic support to invigorate the local economy as Chesterfield borough recovers from the pandemic.

7.4 During November 2020, December 2020 and January 2021, priority access to the Additional Restrictions Grant scheme will be afforded to small and micro businesses who have ongoing fixed business costs but are ineligible to receive the Local Restrictions Support Grant as they do not pay business rates. This is likely to be businesses who trade within, or supply goods and services to the following sectors.

- a) Leisure
- b) Hospitality
- c) Personal Care
- d) Other non-essential retail businesses

- 7.5 In addition, consideration will be given to those new businesses that have been unable to receive other central government support, such as the furlough scheme, self-employed support scheme or bounce back loans, subject to them meeting the additional eligibility criteria set out in Appendix A of the scheme.
- 7.6 Whilst the amount of funding payable monthly will not be capped, it is expected that approximately £65,000 of grant funding will be made available to support eligible businesses within Chesterfield each month.
- 7.7 Delegated authority is sought for the Assistant Director – Customers, Commissioning and Change, in consultation with the Assistant 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.
- 7.8 New burdens funding will be provided by the Government to support the administration of this scheme. This amount has not yet been confirmed.

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 Assistant Director – Customers, Commissioning and Change, 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 first phase of 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 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 1st phase of 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. These businesses represent approximately 5% of the local economy.
- 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

| | |
|----------------------------|--|
| Key decision number | 992 - scheme approved through urgency |
| Wards affected | All wards |

Document information

| | |
|---|--|
| Report author | |
| Tina Peet, Internal Auditor Rachel O'Neil, Assistant Director - Customers, Commissioning and Change | |
| Background documents 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> | |
| Appendices to the report | |
| Appendix 1 | Additional Restrictions Grant for Chesterfield Borough - Round 1 |