

## **DERBYSHIRE COUNTY COUNCIL**

### **MEETING OF CABINET MEMBER – ECONOMIC DEVELOPMENT AND REGENERATION**

**10 October 2019**

Report of the Executive Director - Economy, Transport and Environment

#### **WHALEY BRIDGE BUSINESS HARDSHIP FUND**

(1) **Purpose of Report** To note the further action taken in respect of support loan funding pursuant to the urgent decision taken by the Executive Director Commissioning Communities and Policy in accordance with the Council's Constitution on 7 August 2019 for the urgent establishment of a hardship fund to support the local businesses of Whaley Bridge and New Mills affected by the financial consequences of evacuations as a result of recent events at Toddbrook Reservoir, Whaley Bridge.

(2) **Information and Analysis** On 1 August 2019, residents and businesses in the Whaley Bridge and New Mills area were evacuated following the partial collapse of the dam spillway at Toddbrook Reservoir. Over the following six weeks, emergency services and public sector agencies, including the County Council, worked hard not only to secure the dam but to subsequently support the local business community and affected residents.

Alongside the County Council's efforts to support affected households, it was agreed that the County Council establish a hardship fund to assist small and micro enterprises coping with the immediate, short term loss of income and resulting impacts on cashflow.

A flexible fund of £100,000 was set up around two key elements of support: emergency relief to address cashflow and business rate rebate. It was recognised that additional elements of support might be required over the following weeks. Accordingly, an additional loan element was also instigated to provide slightly longer term relief over a three month period (August to the end of October). In all cases, it was expected that businesses would utilise existing insurance policies they have in place.

#### **Business Emergency Support Fund**

Around £80,000 of the hardship fund was nominally set aside to create a 'Business Emergency Support Fund' which, amongst other things, involved the creation of a fast track application process for immediate, emergency

payments of £300 per business. Eligible businesses for the immediate payment were:

- those located within the evacuation postcode areas; and
- small or micro businesses (10 employees or less).

An assessment of eligibility was based on proof of business identity and evidence of hardship through a simple application form.

The nature, level and eligibility of support was subject to due diligence and appropriate, internal governance arrangements between the Economy and Regeneration Service and Corporate Finance. This included maximum limits to the number of applications/level of financial support, size of business and an appeal processes as appropriate.

From 8 August 2019, dedicated business support advisers were based in the Whaley Bridge multi-agency support hub for a period of time to provide direct support and advice to businesses. In addition to supporting applications for emergency relief, the business advisors also worked to assess longer term financial impacts and consider other funding streams available to those businesses.

The application for immediate emergency financial relief was made available on the County Council's website and was administered through the Economy and Regeneration Service, with the support of colleagues from Corporate Finance. Publicity for the emergency fund was issued via the County Council, High Peak Borough Council and D2N2 (Derby, Derbyshire, Nottingham and Nottinghamshire) Growth Hub websites.

The emergency relief grant formally closed on Friday 13 September 2019. At that point, 158 local businesses had benefitted from the scheme and a total of £47,400 grant has now been issued.

### **Non Domestic Rate Rebate**

In addition to the Business Emergency Support Fund, the County Council also agreed to allocate a nominal £20,000 from the same designated reserve (hardship fund) to support non domestic rate rebate for those affected businesses. The process for assessing eligibility and amount of rebate was subject to detailed discussions and agreement with the High Peak Borough Council as the business rate billing authority. To date, no request for business rate.

### **Support Loan Funding**

In addition to the emergency grant scheme, it was agreed to set up a discretionary local fund designed to provide flexible, unsecured, interest free

loans of up to £1,500 for eligible businesses (including the £300 emergency payment) with up to 50 employees located within the exclusion zone. The purpose of the loan was to provide a bridging finance option for businesses with ongoing cash flow issues. The loan fund provision expires at the end of October 2019 and to date, only two businesses have taken up the offer – totalling £2,400 expenditure.

Loans are being managed in line with the County Council's Financial Regulations with an invoice sent to the recipient business within 30 days of loan being paid. Although considered low risk, a credit check is undertaken as part of the application process to minimise the likelihood of default.

(3) **Financial Considerations** The £100,000 cost of the hardship fund is being met from existing reserves (as determined by the Director of Finance and ICT) and paid to applicants in accordance with the verified details provided through the application process. The emergency fund has now closed and a total of £47,400 grant has been awarded; two additional loans totalling £2,400 loan have been issued.

Government has also provided £100,000 'match funding' via a Section 31 grant (capital) to support the disaster recovery process at Whaley Bridge. This grant was accepted on 19 September 2019 and work is currently taking place with High Peak Borough Council to ensure the appropriate allocation of capital expenditure.

(4) **Legal Considerations** The Director of Legal Services has advised on the appropriate form of loan.

### **Other Considerations**

In preparing this report the relevance of the following factors has been considered: prevention of crime and disorder, equality and diversity, human resources, environmental, health, property, social value and transport considerations.

(5) **Key Decision** No.

(6) **Call-In** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(7) **Background Papers** Held on file within the Economy, Transport and Environment Department.

(8) **OFFICER'S RECOMMENDATIONS** That Cabinet Member:

- 8.1 Notes the further action taken in respect of support loan funding pursuant to the urgent decision taken by the Executive Director Commissioning Communities and Policy on 7 August 2019.
- 8.2 Notes the level of funding issued to date and confirms agreement to the receipt of the Section 31 grant from Government for £100,000 capital funding.
- 8.3 Receives a final report, early in 2020, outlining the extent of disaster support and recovery activity.

**Mike Ashworth**  
**Executive Director - Economy, Transport and Environment**