

Appendix 2

Corporate Grants Register

Government Grant Funding of Local Expenditure

1. Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. The overall total of Government grant budgeted for in 2020/21 was £254.8m.
2. In 2020/21 Cheshire East Council's specific use grants held within the services was budgeted to be £233.2m based on Government announcements to February 2020. This figure was revised up at mid-year to £241.1m (an increase of £7.9m). At third quarter, this figure was revised up again to £257.7m (an increase of £16.6m on mid-year).
3. The last quarter has seen an increase in specific use grant of £19.5m. £4.9m compensation for sales, fees and charges has now been allocated to directly to services and the Winter grant £0.9m has also transferred from general purpose grants to Children and Families. The remaining increase is mostly due to an increase in Housing Benefit Subsidy £7.9m and additional COVID-19 funding for various specific activities.
4. Spending in relation to specific use grants must be in line with the purpose for which it is provided.
5. In the Chancellors Budget on 11th March, two business grant schemes were announced to provide support for businesses as a result of the COVID-19 pandemic.
6. The Small Business Grant Fund (SBGF) is payable to small businesses – essentially those who are currently eligible for Small Business Rate Relief (SBRR) and Rural Rate Relief (RRR). The amount was increased from £3,000 in the Budget to £10,000 in the Chancellor's statement on 17th March.
7. The Retail, Hospitality and Leisure Grant (RHLG) is payable to smaller businesses in this sector, with £10,000 for businesses with rateable values of less than £15,000, and £25,000 for those with rateable values between £15,000 and £51,000 (i.e. those on the Small Business Rate Multiplier).
8. At the beginning of April, Cheshire East was paid £95.5m to passport directly to eligible businesses and by the end of August there had been payments made of £91.7m. The scheme officially closed at the end of August 2020 and any unspent grant will be repaid to central government.
9. Since August, further payments totalling £43.1m have been paid to Cheshire East to support businesses during national lockdown periods.
10. General purpose grants were budgeted to be £21.6m. Further in-year grant announcements have increased the amount received to £78.9m.
11. The COVID-19 pandemic has seen additional financial support issued by Central Government.
12. The Government announced in the Budget on 29th October 2018 that it would provide a Business Rates Retail Discount, to apply in the years 2019/20 and 2020/21. In response to the Coronavirus pandemic, in the Budget on 11th March the

Government announced that it would increase the discount to 100% and extend it to include the leisure and hospitality sectors. Following the announcement on 23rd March 2020 of further measures to limit the spread of Coronavirus, the Government confirmed that some of the exclusions for this relief have been removed, so that retail, leisure, and hospitality properties that will have had to close as a result of the restriction measures were also eligible for the relief.

13. The estimated full cost for this additional relief for Cheshire East was £58.8m. Usually, local authorities would only be paid their Business Rates Retention share (49%) of any new burdens measures, but in this instance 100% of the funding is being paid to councils to help with cash flow shortfalls. A further payment of £1.8m relating to COVID-19 Additional Business Rates Relief was received on the 20th November.
14. At the end of the financial year, following a detailed reconciliation, the share relating to MHCLG (50%) will be repaid to Government. This share is £30.4m, reducing the value of the grant received in the final quarter to reflect the net amount received.
15. Business Rates 'Tax Loss Compensation grants' of £9.2m have also been received during 2020/21. This grant reimburses the Council for providing extra discounts to businesses in line with government guidance. £4.2m of the grant is required to fund services and is included as part of the revenue budget approved in February 2020. The remaining amount will be transferred to the Collection Fund Management earmarked reserve at year end in accordance with the Reserves Strategy.
16. £3.3m compensation from the Tax Income Guarantee Scheme has been received. In December 2020, MHCLG announced that they would cover "75% of irrecoverable losses" associated with the reductions in local taxations for Council Tax and

Business rates due to COVID-19. However after the calculations have been made, this was more like 50% of the deficits for each collection fund account. The income has been credited directly to the Collection Fund Earmarked Reserve to help offset the deficit balances that will be funded from this reserve.

17. Where additional non-ringfenced grant funding is received, services wishing to increase their expenditure budgets are required by Finance Procedure Rules to seek approval to use this additional funding.
18. Approval for additional general purpose grants received during the final quarter of 2020/21 has mainly taken place in earlier committee reports. **Table 1** contains the final 2020/21 request for the Tax Loss Compensation scheme.
19. There are also service requests relating to 2021/22 in **Table 1**. These requests increase budget expenditure in Childrens and Families by £886,815, Adults by £2,299,699, Place Directorate by £349,638 and Corporate Directorate by £1,823.
20. Net additional general purpose grant of £57.3m has been received during the year, with £1.5m being allocated direct to services. After allowing for the transfer of £43.6m to earmarked reserves, the net outturn variance is a £12.2m improvement against budget.
21. **Table 2** and **Table 3** below provides a summary of the updated budget position for grants in 2020/21 by type and service. Further details of grants are shown in the Statement of Accounts.

Table 1 – Requests for Allocation of Additional Grant Funding

Committee	Type of Grant	£000	Details
Corporate Policy	COVID-19 Tax Income Guarantee Scheme (Specific Purpose)	3,298	New guarantee scheme for 75% of 2020-21 irrecoverable local tax losses, worth an estimated £800 million nationally.
Total Allocation 2020/21 Council Approval		3,298	
Adults & Health	COVID-19 Infection control measures and rapid testing (Specific Purpose)	2,257	The government has announced that it is extending funding to control infections and carry out COVID-19 testing in the adult social care sector.
Total Allocation 2021/22 Council Approval		2,257	
Children & Families	COVID-19 Local Support Grant (Specific Purpose)	829	The Government's COVID-19 Local Support Grant provides funding through local authorities for families who need help paying for food and utilities, has been extended until the end of September.
Children & Families	Extension of the role of Virtual School Heads (General Purpose)	58	The purpose of the grant is to provide support to local authorities in England, to help them meet their duty to appoint a Virtual School Head for previously looked-after children and make information and advice available to the following parties for the purposes of promoting the education of eligible previously looked-after children.
Adults & Health	Independent Living (General Purpose)	43	To increase the funding allocated to the service to cover the cost of the payments made to clients for the ILF, increasing it to the level of the actual 2021/22 grant, the value of the grant is £43k higher than the planned budget value.

Committee	Type of Grant	£000	Details
Economy & Growth	Homelessness Domestic Abuse New Burdens (General Purpose)	9	Delivery of statutory homelessness duties in respect of victims of domestic abuse, as set out in the Housing Act 1996 and Homelessness (Priority need for Accommodation) (England) Order 2002, as amended by the Domestic Abuse Act 2021.
Environment & Communities	Neighbourhood Planning Grant for Local Planning Authorities (General Purpose)	70	The conditions of the grant mean that this funding could be used across the wider Spatial Planning area. This level of funding would be intended to support a number of Community Neighbourhood Plans across the borough.
Highways & Transport	Bus Service Improvement Plan (Specific Purpose)	100	£100,000 has been made available from the Government for each LTA to support with the development of Bus Service Improvement Plans, Cheshire East has been granted access to this funding in full and has partially used it to produce a BSIP in advance of the end of October 2021 deadline. The BSIP will be implemented using funding provided by the long-term funding commitments of the National Bus Strategy and the COVID-19 Bus Services Support Grant (CBSSG).
Highways & Transport	Local Authority Capability Fund (Specific Purpose)	171	The grant is awarded to enable the authority to deliver the objectives as set out in the Capability Fund bid. The Local Authority Capability Fund supports the commitment made in Gear Change, the Prime Minister's Cycling and Walking Plan, in July 2020, to increase the capabilities of local authorities to plan good active travel infrastructure, including building more expertise and undertaking more evidence-based planning.
Corporate Policy	Breathing Spaces (Debt Respite Scheme) (General Purpose)	2	The Debt Respite Scheme (Breathing Space) will give someone in problem debt the right to legal protections from their creditors.
Total Allocation 2021/22 £1m or below		1,282	
Total		6,837	

Table 2 – Corporate Grants Register (Summary)

	Original Budget	Revised Forecast MYR	Revised Forecast TQR	Final Outturn	Change from TQR
	2020/21 £m	2020/21 £m	2020/21 £m	2020/21 £m	2020/21 £m
SPECIFIC USE					
Held within Services	233.2	241.1	257.7	277.2	19.5
GENERAL PURPOSE					
Business Support Grant	0.0	95.5	116.3	138.6	22.3
Service Funding:					
People - Childrens and Families	0.0	0.4	0.5	0.5	0.0
People - Adult Social Care and Health	8.8	8.8	8.8	8.8	0.0
Place	0.0	0.3	0.3	0.3	0.0
Corporate	12.8	14.9	14.9	15.0	0.1
Central Items	0.0	81.2	92.5	54.3	(38.2)
TOTAL GENERAL PURPOSE	21.6	201.1	233.3	217.5	(15.8)
TOTAL GRANT FUNDING	254.8	442.2	491.0	494.7	3.7

Table 3 – Corporate Grants Register (Detail)

Corporate Grants Register 2020/21	Original Budget 2020/21 £000	Revised Forecast MYR 2020/21 £000	Revised Forecast TQR 2020/21 £000	Final Outturn 2020/21 £000	Change from TQR 2020/21 £000
SPECIFIC USE (Held within Services)					
PEOPLE					
Schools ¹	151,887	150,383	150,555	151,113	558
Children and Families	1,759	2,021	2,019	3,421	1,402
Adult Social Care	12,637	18,284	29,708	26,138	(3,570)
Public Health	15,967	18,291	21,364	27,409	6,045
Total	182,250	188,979	203,646	208,081	4,435
PLACE					
Growth and Enterprise	263	1,572	1,506	1,445	(61)
Environment and Neighbourhood Services	0	0	159	2,010	1,851
Highways and Infrastructure	0	336	1,340	5,630	4,290
Directorate	787	1,561	2,047	1,912	(135)
Total	1,050	3,469	5,052	10,997	5,945
CORPORATE					
Finance and Customer Services	49,878	48,618	48,964	57,813	8,849
Governance and Compliance Services	0	0	0	325	325
Total	49,878	48,618	48,964	58,138	9,174
TOTAL SPECIFIC USE	233,178	241,066	257,661	277,216	19,555

Corporate Grants Register 2020/21	Original Budget 2020/21 £000	Revised Forecast MYR 2020/21 £000	Revised Forecast TQR 2020/21 £000	Final Outturn 2020/21 £000	Change from TQR 2020/21 £000
GENERAL PURPOSE (Held Corporately)					
Central Funding					
Business Support Grant	0	95,514	116,307	138,611	22,304
People - Children and Families					
Staying Put Implementation Grant	0	113	113	113	0
Extended Rights to Free Transport (Home to School Transport)	0	201	201	201	0
Extended Personal Adviser Duty Implementation	0	42	42	42	0
Extension of the role of Virtual School Heads	0	0	61	61	0
Domestic Abuse Duty Capacity Building Fund	0	0	50	50	0
People - Adult Social Care and Health					
Social Care Support Grant	7,616	7,616	7,616	7,616	0
Independent Living Fund	818	861	861	861	0
Local Reform & Community Voices, Social Care in Prisons and War Pension Scheme Disregard	340	340	340	340	0
Place					
Neighbourhood Planning Grant for Local Planning Authorities	0	100	100	160	60
Homelessness Reduction Act	0	116	116	116	0
Mobile Homes Fit and Proper Person Test	0	0	0	1	1
Letting Agents Transparency & Redress Schemes	0	1	1	1	0
Environmental Service Feasibility Study (NW Local Energy Hub)	0	67	67	67	0

Corporate Grants Register 2020/21	Original Budget	Revised Forecast MYR	Revised Forecast TQR	Final Outturn	Change from TQR
	2020/21	2020/21	2020/21	2020/21	2020/21
	£000	£000	£000	£000	£000
Corporate					
Housing Benefit and Council Tax Administration	1,027	1,022	1,022	1,022	0
NNDR Administration Allowance	571	571	571	571	0
Council Tax Family Annex Discount	0	0	0	20	20
New Homes Bonus	11,193	11,193	11,193	11,193	0
Individual Electoral Registration	0	34	34	34	0
Individual Electoral Registration (additional)	0	0	0	93	93
Local Government Transparency Code - New Burdens	0	0	0	13	13
COVID-19 Council Tax Hardship Fund	0	2,063	2,063	2,063	0
Central Items					
COVID-19 Additional Business Rates Reliefs payments for 2020/21	0	58,786	60,561	30,134	(30,427)
COVID-19 Compensation for Sales, Fees and Charges Income	0	0	6,100	0	(6,100)
COVID-19 Emergency Funding (Tranche 2)	0	10,539	10,539	10,539	(0)
COVID-19 Emergency Funding (Tranche 3)	0	2,711	2,711	2,711	(0)
COVID-19 Emergency Funding (Tranche 4)	0	0	2,578	2,578	0
COVID-19 Winter Grant Scheme	0	0	880	0	(880)
Business Rates Reliefs Grant 2020/21	0	4,988	4,988	4,988	0
Business Rates Reliefs Grant 2020/21	0	4,200	4,200	0	(4,200)
Tax Income Guarantee Scheme: Compensation for Business Rates Losses	0	0	0	2,223	2,223
Tax Income Guarantee Scheme: Compensation for Council Tax Losses	0	0	0	1,074	1,074
Total Service Funding	21,565	105,563	117,006	78,885	(38,121)
TOTAL GENERAL PURPOSE	21,565	201,077	233,313	217,496	(15,817)
TOTAL GRANT FUNDING	254,743	442,143	490,975	494,712	3,737

Notes

- 1 The Dedicated Schools Grant, Pupil Premium Grant, Sixth Form Grant and Other School Specific Grant from the Education Funding Agency (EFA) figures are based on actual anticipated allocations. Changes are for in-year increases/decreases to allocations by the DfE and conversions to academy status.
- 2 SRE - Supplementary Revenue Estimate requested by relevant service.
- 3 ODR - Officer Decision Record to approve immediate budget change to relevant service.
- 4 Reserves - transfer to reserves at year end.
- 5 Balances - amount will be included as a variance to budget.