

FORM 2

NOTICE OF DECISION OF CABINET MEMBER

Pursuant to Section 15(4) of the Local Government Act 2000, as amended by section 63 of the Local Government and Public Involvement in Health Act 2007, the senior executive member may discharge any of the functions that are the responsibility of the Cabinet or may arrange for them to be discharged by another member of the Cabinet or Officer. On 1st December 2010, the Council adopted the Strong Leader Model for Corporate Governance 2011 as required under Part 3 of The Local Government and Public Involvement in Health Act 2007 (The 2007 Act).

In accordance with the authority delegated to me, I have made the following decision:

Subject	Decision	Reason for decision	Date for Decision to be taken
Local authority discretionary grants fund	To approve the revised scheme for the discretionary grants fund set out in Appendix 1 to the report.	To secure greater take up of the grant by businesses in Wyre Forest, by adjusting eligibility for the grant and the potential amount of the grants.	15 June 2020

I confirm that the appropriate statutory officer consultation has taken place with regard to this decision.

Dated: 16 June 2020

Signed:



Councillor: Graham Ballinger
Leader of the Council

WYRE FOREST DISTRICT COUNCIL

Strong Leader Report

LOCAL AUTHORITY DISCRETIONARY GRANTS FUND – REVISED SCHEME

OPEN	
DIRECTOR:	Chief Executive
CONTACT OFFICER:	Ian Miller
DATE:	15 June 2020
APPENDICES:	Appendix 1: revised scheme for Wyre Forest – Local Authority Discretionary Grants Fund

1. PURPOSE OF REPORT

- 1.1 To decide revisions to Wyre Forest District Council's scheme for the Local Authority Discretionary Grants Fund for businesses affected by the COVID-19 pandemic but which are not eligible for support under the Small Business Grants Fund and the Retail, Hospitality and Leisure Grants Fund.

2. RECOMMENDATION

- 2.1 The Leader is asked to **APPROVE** the revised scheme set out in Appendix 1.

3. BACKGROUND

- 3.1 This is set out in the report of 26 May in respect of which the Leader took a decision that was announced on 27 May. The scheme approved in that report opened for applications on 27 May and closes on 30 June.
- 3.2 The Department for Business, Energy and Industrial Strategy has confirmed the Council's allocation of funding for the discretionary grant scheme as £1.153m.
- 3.3 The number of applications received from local businesses is significantly lower than estimated – it will be recalled that the Council had little or no knowledge of the number of businesses that might be eligible because the vast majority of them have no direct relationship with the Council (mainly because they are not rated for the purposes of pay business rates). At the time of writing, the Council has received 44 applications of which nine have already been verified and paid. While a few of the applications are not expected to be successful, it is estimated that in total this group of businesses will receive grants totalling less than £200k under the current scheme. In addition, there are approximately another 10 businesses that have been in contact with the council but whose enquiries have not yet translated into applications.
- 3.4 Regrettably, there have been several fraudulent or potentially fraudulent applications for the mandatory grants scheme which the Council is administering on behalf of BEIS. They have been detected by the Council's rigorous pre-

authorisation checks, and no payments have been made in respect of these “applications”. This rigorous checking is also carried out with the discretionary scheme. Where there is clear evidence of intent to defraud, the Council is referring its evidence to West Mercia Police for investigation.

- 3.5 It is inevitable at present that a large amount of the BEIS funding would not be used. It is thus appropriate to consider what changes should be made to the scheme in order to promote take up and maximise support for Wyre Forest businesses.

4. KEY ISSUES

- 4.1 Two changes are now proposed so that take up may be maximised before the 30 June deadline.
- 4.2 The first is that the rateable value limit for businesses in the retail, hospitality and leisure sector should be lifted from £75k to £85k. This would benefit potentially ten further businesses, of which three are not expected to be eligible because they are part of national chains and therefore likely to be caught by State Aid limits.
- 4.3 The second is that the ability to top up grants, which already featured in the scheme for the larger retail, hospitality and leisure sector businesses, should be extended to all eligible businesses. This will continue to be subject to available resources i.e. top ups would have to be affordable within the confirmed BEIS grant allocation of £1.153m. At present, the £10k grants for the retail, hospitality and leisure sector businesses could be topped up to £25k, subject to availability of resources. The change proposed is that the £5k grant for other businesses should be capable of being topped up to £10k (in the case of market traders, this would be pro rata to the number of days on which market traders normally trade in Wyre Forest i.e. they could receive up to £2k/trading day compared to £1k/trading day under the current scheme).
- 4.4 The revised scheme in Appendix 1 sets out the details.

5. FINANCIAL IMPLICATIONS

- 5.1 The revised scheme better aligns with the confirmed available funding, and takes account of the number of applications already received. There is a greater degree of confidence than in the scheme approved last month that expenditure will not exceed the funding provided by BEIS.
- 5.2 However it remains the case that the BEIS guidance states that there “is a baseline to provide the fixed minimum 5% allocation for each local authority, to give certainty. We do not want to penalise local authorities that subsequently manage to achieve a higher number of business hereditaments supported and grants awarded; their 5% allocation will be adjusted upwards.” In the unlikely event that

WFDC's expenditure exceeds its allocation, BEIS will be approached for additional funding.

6. LEGAL AND POLICY IMPLICATIONS

6.1 The Council is a Category 1 responder under the Civil Contingencies Act 2004. The powers upon which the Council will rely in deploying the local authority discretionary grants fund (which the Government will pay under section 31 of the Local Government Act 2003) include section 1 of the Localism Act 2011, the general power of competence, and sections 111 and 137 of the Local Government Act 1972.

7. EQUALITY IMPACT NEEDS ASSESSMENT

7.1 An impact needs assessment is not required as the grant fund is for businesses, rather than individuals in a personal capacity.

8. RISK MANAGEMENT

8.1 The main risks now are perceived to be:

a) presentational: to ensure that the scheme is adjusted to maximise take up by Wyre Forest businesses;

b) fairness: the changes now proposed bring Wyre Forest's closer into line with schemes being operated by Wychavon and Malvern Hills, because it is now more likely that businesses will qualify for grants of £10k or £25k as is the case in those districts;

c) fraud risk: rigorous assessment checks will continue to be undertaken to root out doubtful claims and to refer evidence of attempted fraud to the police.

The proposals in this report seek to mitigate these risks.

9. CONCLUSION

9.1 The Leader is invited to approve the revised scheme for the Local Authority Discretionary Grants Fund set out in Appendix 1.

10. CONSULTEES

10.1 Cabinet

10.2 Corporate Leadership Team

11. BACKGROUND PAPERS

11.1 Guidance from BEIS (22 May edition)

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/887239/Local_Authority_Discretionary_Grants_Fund_-_guidance_for_local_authorities_-_version_2.pdf

11.2 Original scheme approved by the Leader and press release, 27 May 2020:

http://www.wyreforest.gov.uk/council/docs/doc55834_20200527_cabinet_decision_report.pdf

<https://www.wyreforestdc.gov.uk/news/2020-news/may-2020/council-opens-£1million-discretionary-grants-scheme.aspx>

APPENDIX 1: WYRE FOREST – LOCAL AUTHORITY DISCRETIONARY GRANTS FUND

Revised scheme

June 2020

Introduction

This discretionary grant scheme is intended to assist businesses in Wyre Forest whose income has been significantly affected by the COVID-19 pandemic and which have not received funding from certain other Government support schemes.

This scheme describes businesses that are not eligible for support; those that are potentially eligible and the amount of grant that Wyre Forest District Council will pay you; and a summary of the information that we will require in order to assess your eligibility.

Deadline for applications

The deadline for applications is 12 noon on Tuesday 30 June 2020. Late applications will not be considered.

You can find information on how to make an application <here>

If you have questions and need to speak to someone before making your application, please contact ctax@wyreforestdc.gov.uk or <phone>

Businesses that are not eligible

Please read this scheme carefully and do not waste your time or ours by applying if your business is not eligible. **Please note that there are only very limited circumstances where a business operated from a residential address may qualify for a grant, such as a bed & breakfast which pays council tax or a business where part of the residential property, such as an outbuilding, is subject to business rates.**

Your business will not be eligible if

a) It has received or is eligible for cash grants from any of the following central government COVID-related schemes:

Small Business Grant Fund

Retail, Hospitality and Leisure Grant

The Fisheries Response Fund

Domestic Seafood Supply Scheme (DSSS).

The Zoos Support Fund

The Dairy Hardship Fund

(Payments under the Coronavirus Job Retention Scheme or the Self Employment Income Support Scheme do NOT count and do not affect eligibility.)

- b) it ceased trading before 11 March 2020 or began trading only after 11 March 2020. The business must have been trading on 11 March 2020;
- c) It is a company in administration, insolvent or where a striking-off notice has been made.

Potentially eligible businesses and indicative grant allocations

Type of business	Grant amount per business
Small businesses in shared offices or other flexible workspaces. Examples could include units in industrial parks, science parks and incubators which do not have their own business rates assessment.	£5,000 (See note 1)
Regular market traders with fixed building costs, such as rent, who do not have their own business rates assessment	£1,000 for each day's worth of normal market activity in Wyre Forest in a week, subject to maximum payment of £5,000 (See notes 1 and 2)
Bed & Breakfasts which pay Council Tax instead of business rates (see note 3)	£5,000 (See note 1)
Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief.	£5,000 (See note 1)
Businesses that are liable for business rates and whose business is wholly or mainly in the supply chain for the retail, hospitality and leisure sectors. The rateable value to be used for the purposes of this grant scheme is the rateable value on 11 March 2020.	£5,000 (Rateable value less than £51k) £10,000 (Rateable value

	£51k to £75k) (See note 1)
Retail, hospitality and leisure businesses that would otherwise have received a Retail, Hospitality and Leisure Grant but were ineligible because they had a Rateable Value on 11 March 2020 of £51,000 to £85,000 (see note 4).	£10,000 (See note 1)

Note 1: If the available resources for the discretionary grant scheme have not all been used following the closing date for applications, the Council reserves the right to pay a top-up grant pro rata to available resources. This is subject to a maximum grant of:

- a) £10,000 for one business if it received a grant of £5,000 initially;
- b) £25,000 for one business if it received a grant of £10,000 initially.

In the case of market traders, the maximum grant in these circumstances would be £10,000 pro rata to the number of days that they normally trade in the Wyre Forest area and subject to a maximum grant of £2,000 for each such trading day.

Note 2: market traders who pay rent or a licence fee for a regular pitch can qualify for a grant of £1,000 for each day in a week that they normally trade in the Wyre Forest area, subject to a maximum payment of £5,000 (although see note 1). This is to recognise that many market traders operate in more than one council area and may trade in Wyre Forest for (say) only one or two days week. These arrangements ensure fairness among market traders – that a trader who operates in Wyre Forest only one day a week should not receive the same grant as a trader who operates in Wyre Forest six days a week – and also fairness with other types of business that receive grants under this scheme.

Note 3: For Bed and Breakfasts to be eligible for the grant, they must meet the requirements of section 66(2) of the Local Government Finance Act 1988 and, as a consequence, not be liable for non-domestic rates. In summary, the accommodation must be provided for short periods to individuals whose sole or main residence is elsewhere; must not be self-contained self-catering accommodation provided commercially; and must not be provided for more than six persons simultaneously. In addition the person providing such accommodation should have his or her sole or main residence within the building throughout any period when such accommodation is to be provided.

Note 4 – details of the Retail, Hospitality and Leisure Grant scheme may be seen at this link <https://www.gov.uk/government/publications/coronavirus-covid-19-guidance-on-business-support-grant-funding>

Summary of information that you will need to provide to support a successful application

You will need to provide information to demonstrate that your business has suffered a loss in gross income as a result of COVID-19 and that it has property-related costs.

You will be asked to provide bank statements to show how gross income has fallen since the last set of audited accounts or, if no such accounts are available, bank statements covering the period during which the business has traded to show how income has been affected by COVID-19. We would expect the recent bank statements to show that income in March 2020 onwards has ceased completely or significantly reduced compared to a previous equivalent period. It does not matter if you have not been trading for more than 12 months and therefore that there are no audited accounts available. Evidence of a previous equivalent period could take the form of:

- accounts for the most recent 12 month period that have been audited e.g. financial year 2018-19 or calendar year 2019;
- draft accounts that have not yet been audited e.g. for the financial year 2019-20;
- bank account statements for the period March to May 2019;
- bank account statements for a period before March 2020, but not earlier than March 2019.

Generally, a “significant reduction in income” would be at least 50% but we reserve the right to look at the expenditure and income of the business in order to reach a view on eligibility in cases where the reduction in income is less than 50%. We would not expect to pay any grant for a business where the reduction in income is less than 25%.

Evidence will be required to show that the business was and continues to be liable for fixed property-related costs, such as rent, business rates, council tax or a loan in respect of the purchase of the property occupied by the business.

In the case of a business wholly or mainly in the supply chain for the retail, hospitality and leisure sectors, evidence will be required to demonstrate that the majority of the business’s gross income was derived from businesses that are eligible for the Retail, Hospitality and Leisure grant fund (or would have been so eligible if not precluded by reason of their rateable value).

If applicable, registration number of company at Companies House or charity number issued by Charity Commission.

A declaration that, for a business in a shared office or other flexible work space, the owner(s) or director(s) of the business are not among the owner(s) or director(s) of a company or business that is liable for business rates of that hereditament and has received or is eligible for cash grants from any of the following central government COVID-related schemes:

Small Business Grant Fund

Retail, Hospitality and Leisure Grant

The Fisheries Response Fund

Domestic Seafood Supply Scheme (DSSS).

The Zoos Support Fund

The Dairy Hardship Fund.

A declaration that, if a grant was awarded to your business, it would not exceed State Aid limits. We will include the detailed information that you need to consider in the application process as well as the declaration that you will need to make. You can see information in paragraphs 47 to 51 of the Government's guidance and model declarations in Annex B

<https://www.gov.uk/government/publications/coronavirus-covid-19-guidance-on-business-support-grant-funding>

A declaration that you are providing correct information to the best of your knowledge and belief; and to acknowledge that the council reserves the right to check details (including through fraud-checking and other information services available to it); that the council may take recovery action in the event of incorrect information being provided; and that, in cases of suspected fraud, the council may refer the matter to the police.

You will not be asked to provide bank account details as part of the application. If the council decides that your business is eligible, we will contact you separately to ask for confirmation of this information as we will pay any grant by BACS transfer.

If you are not happy with the decision that we take on your application

If you are unhappy with the decision we reach, you can ask for it to be reviewed.

A review can result in confirmation of the original decision; a decision to award a grant when one was not awarded by the original decision; a decision to award a different level of grant (which might be higher or lower than the original grant); or, if the review identifies that your business is not eligible, the withdrawal of any grant awarded in the original decision.

The result of any review will be final although you will have the right to complain to the Local Government and Social Care Ombudsman if you consider that there has been maladministration causing an injustice. You will be sent information about the Ombudsman with the decision on a review.