

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 further revisions to Wyre Forest District Council's 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.	18 August 2020

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

Dated: 18 August 2020

Signed: 

Councillor: Graham Ballinger
Leader of the Council

WYRE FOREST DISTRICT COUNCIL

Strong Leader Report

LOCAL AUTHORITY DISCRETIONARY GRANTS FUND – SECOND REVISIONS TO SCHEME

OPEN	
DIRECTOR:	Chief Executive
CONTACT OFFICER:	Ian Miller
DATE:	18 August 2020
APPENDICES:	Appendix 1: revised scheme for Wyre Forest (August 2020) – Local Authority Discretionary Grants Fund

1. PURPOSE OF REPORT

- 1.1 To decide further 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, and further revisions which were agreed in a strong leader report on 15 June. The scheme approved in those reports opened for applications on 27 May and closed on 30 June.
- 3.2 The Department for Business, Energy and Industrial Strategy confirmed the Council's allocation of funding for the discretionary grant scheme as £1.153m. As at the date of preparing this report, the Council has awarded grants totalling £792k, which means that there are still approximately £360k of grants that might legitimately be awarded. On 31 July BEIS confirmed that councils should close their discretionary schemes to new applications with effect from Friday 28 August with final payments to be made by 30 September at the latest.
- 3.3 The proposed revisions to the scheme set out in this report aim to continue to promote take up and maximise support for Wyre Forest businesses.

4. KEY ISSUES

- 4.1 Firstly by reopening the scheme for a further period to 28 August, any business that was potentially eligible for the scheme that operated prior to 30 June and did not make an application or did not provide sufficient evidence to support its

application can now submit an application. It is believed that there are a handful of businesses for which this might be relevant, and they would be eligible for grants of £10k or £25k as set out in the original scheme.

- 4.2 In reopening the original scheme, it is proposed to make a minor change to clarify that a business is eligible if it has only one operating site in Wyre Forest even though it may have operating sites in other areas. Support would remain subject to State Aid limits and would not therefore benefit national or major regional chains. It would assist local businesses that might operate in a few local authority areas and where, if the business had been structured differently (for example, with a separate company at each operating location), there would be no doubt about eligibility. It seems unfair to deny access to funding to essentially local businesses such as these simply on the basis of the company structure they have chosen to adopt. This approach has already been adopted for reasons of fairness but is now recommended for formal incorporation in the approved scheme.
- 4.3 Business improvement district companies and development trusts constituted as community interest companies are eligible for grants if occupying shared space and can apply under the reopened scheme. Because of the value of their work in supporting businesses and other activities in communities in the Wyre Forest, it is proposed that, if applications are received and approved, the grant levels would be £25k in the case of business improvement district companies and £10k in the case of development trusts constituted as community interest companies. This is expected to benefit two organisations.
- 4.4 Secondly, the following changes to expand the scheme to additional businesses and organisations are now proposed:
- (a) to set no limit on the rateable value for major hospitality and tourism businesses. This would benefit three major hospitality and tourism businesses in Wyre Forest, all of which suffered extensive loss of income because of a requirement to close. The grant payable would be £25k. For clarity this would be available only to businesses with a VOA code on the rating list of CH (hotels) and LX (leisure, but excluding any business that consists mainly or wholly of a gym);
 - (b) a grant for offices (VOA code CO on the rating list) occupied by registered charities, subject to a rateable value limit of £75k. The grant would be £10k for rateable values up to £15k and £25k for rateable values between £15,001k and £75k, in line with existing provisions for other grants. The receipt of a discretionary grant for another, separate property operated by a charity, such as a shop, would not disqualify it from eligibility for a further discretionary grant in respect of offices. This is estimated to benefit a maximum of five charities, probably fewer;
 - (c) BEIS confirmed on 4 August that town and parish councils can be eligible for grants under the discretionary grant scheme. All parish and village halls, whether or not owned by parish councils, received grants under the mandatory schemes

that the District Council has operated on behalf of the Government. Larger venues in VOA code LX in the rating list such as the Town Hall in Kidderminster have not received a mandatory or discretionary grant and it is clear that the Town Council, as operator, will have suffered a loss of income from events and activities not being able to be held. In the Town Hall's case, the Town Council would be eligible for a grant of £25k which is consistent with the approach for other elements of the grant scheme (the Town Hall's rateable value is £29k). Applications from any other town or parish council that have not already received a grant, will be considered using the criteria outlined.

4.5 The revised scheme in Appendix 1 sets out the details.

5. FINANCIAL IMPLICATIONS

5.1 The further revisions to the scheme seek to maximise support for businesses in the district, taking account of grants already awarded. There is reasonable confidence 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 and other eligible organisations, 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 and other eligible organisations;

b) 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>

11.3 Revised scheme, 15 June 2020

<https://www.wyreforestdc.gov.uk/business-and-work/national-non-domestic-rates/help-with-nndr-bills/discretionary-business-rates-grants-scheme/discretionary-business-rates-grants-scheme-policy.aspx>

APPENDIX 1: WYRE FOREST – LOCAL AUTHORITY DISCRETIONARY GRANTS FUND

2nd revised scheme

August 2020

Introduction

This discretionary grant scheme is intended to assist businesses and other organisations 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 Friday 28 August 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
<p>Small businesses or other organisations 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. This level of grant is available to development trusts constituted as community interest companies.</p> <p>In the case of business improvement district companies, a higher level of grant of £25,000 may be paid.</p>	<p>£10,000</p>
<p>Regular market traders with fixed building costs, such as rent, who do not have their own business rates assessment</p>	<p>£2,000 for each day's worth of normal market activity in Wyre Forest in a week, subject to maximum payment of £10,000 (See note 1)</p>
<p>Bed & Breakfasts which pay Council Tax instead of business rates (see note 2)</p>	<p>£10,000</p>
<p>Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief.</p>	<p>£10,000</p>

<p>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.</p>	<p>£10,000 (Rateable value less than £15k)</p> <p>£25,000 (Rateable value £15,001k to £75k)</p>
<p>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 £15,001 to £85,000 (see note 3).</p>	<p>£25,000</p>
<p>Hospitality and tourism 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 over £85,000 (see note 3). Only businesses with a VOA code on the rating list of CH (hotels) and LX (leisure, but excluding any business that consists mainly or wholly of a gym) are eligible for this grant.</p>	<p>£25,000</p>
<p>Registered charities occupying offices (VOA code CO on the rating list), subject to a rateable value limit of £75k.</p> <p>This grant may be paid in addition to any discretionary grant for another, separate property occupied by the charity, such as a shop.</p>	<p>£10,000 (Rateable value less than £15k)</p> <p>£25,000 (Rateable value £15,001k to £75k)</p>
<p>A town or parish council occupying a building that falls within VOA code LX in the rating list subject to officers being content regarding proof of loss of income.</p>	<p>£10,000 (Rateable value less than £15k)</p> <p>£25,000 (Rateable value £15,001k to £75k)</p>

Note 1: market traders who pay rent or a licence fee for a regular pitch can qualify for a grant of £2,000 for each day in a week that they normally trade in the Wyre Forest

area, subject to a maximum payment of £10,000. 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 2: 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 3 – 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>

Note 4 – for clarification, a business may be eligible if it has only one operating site in Wyre Forest even though it may have operating sites in other areas, regardless of the company structure of the business. However support is subject to State Aid limits and therefore this clarification will not benefit national or major regional chains.

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.