

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
Wyre Forest District Council's scheme for the Local Restrictions Support Grant (Open) Scheme for businesses affected by the COVID-19.	To agree the policy set out in Appendix 1 - Local Restrictions Support Grant (Open) Scheme. To delegate authority to the Corporate Director: Economic Prosperity & Place in consultation with the Cabinet Member for Economic Regeneration, Planning & Capital Investments to make any necessary amendments to the Local Restrictions Support Grant (Open) Scheme and/or the Additional Restrictions Grant Scheme as may be necessary from time to time.	To allow applications to be processed from businesses that are able to open but have been affected by the Tier 2 restrictions, which came into force on 2 December.	23 December 2020

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

Dated: 23 December 2020

FORM 2

A handwritten signature in black ink, appearing to read 'Graham Ballinger', written in a cursive style.

Signed:

Councillor: Graham Ballinger
Leader of the Council

WYRE FOREST DISTRICT COUNCIL

Strong Leader Report

LOCAL AUTHORITY LOCAL RESTRICTIONS SUPPORT GRANT (OPEN) SCHEME

OPEN	
DIRECTOR:	Mike Parker: Corporate Director: Economic Prosperity & Place
CONTACT OFFICER:	Ostap Paparega, Head of NWedR
DATE:	23 December 2020
APPENDICES:	None

1. PURPOSE OF REPORT

- 1.1 To agree the Wyre Forest District Council's scheme for the Local Restrictions Support Grant (Open) Scheme for businesses affected by the COVID-19.

2. RECOMMENDATION

- 2.1 The Leader is asked to:

- 2.1.1. **AGREE** the policy set out in Appendix 1 - Local Restrictions Support Grant (Open) Scheme.
- 2.1.2 **DELEGATE** authority to the Corporate Director: Economic Prosperity & Place in consultation with the Cabinet Member for Economic Regeneration, Planning & Capital Investments to make any necessary amendments to the Local Restrictions Support Grant (Open) Scheme and/or the Additional Restrictions Grant Scheme as may be necessary from time to time.

3. BACKGROUND

- 3.1 On Thursday 22 October, the Government announced additional funding to support businesses under restrictions in Tier 2 or Tier 3. This is support for businesses that are not legally required to close but which are severely impacted by the localised restrictions on socialising put in place to manage coronavirus and save lives. The Council needs to have in place its policy for distributing such awards, known as the Local Restrictions Support Grant (Open) – the LRSG.
- 3.2 LRSG (Open) allocations are calculated using Valuation Office Agency (VOA) SCAT code data on the number of hospitality, accommodation and leisure businesses in that Local Authority geography that have not been required to close, including a 5% top-up.

- 3.3 The Local Restrictions Support Grant (Open) is aimed at hospitality, hotel, bed & breakfast and leisure businesses. Local Authorities will have discretion as to how to award grant funding to individual businesses. The grant funding can only be spent on business grants.
- 3.4 Local Authorities have the freedom to determine the precise eligibility criteria for these grants. However, Government would expect the funding to be targeted at hospitality, hotel, bed & breakfast and leisure businesses. Local Authorities should consider how the Local Restrictions Support Grant (Open) funding can help kickstart recovery by supporting sustainable businesses that have not been legally required to close but which are severely impacted by Tier 2 or 3 restrictions.
- 3.5 The Government has announced the following funding tiers as a guide for Local Authorities. We would anticipate that Local Authorities provide grant funding under the following tiers, unless there is a local economic need to deviate:
- a. Grants of up to £467 per 14-day period for businesses occupying hereditaments with a rateable value of exactly £15,000 or under on the date of the commencement of the local restrictions.
 - b. Grants of up to £700 per 14-day period for businesses occupying hereditaments with a rateable value over £15,000 and less than £51,000 on the date of the commencement of the local restrictions.
 - c. Grants of up to £1,050 per 14-day period for businesses occupying hereditaments with a rateable value of exactly £51,000 or above on the date of the commencement of the local restrictions.
- 3.6 The Council has already adopted its policy for the award of discretionary Additional Restrictions Grant (ARG) in November 2020. The ARG and the LRG will operate in parallel and some businesses may qualify under both schemes.

4. KEY ISSUES

- 4.1 As the Government has introduced grant support for businesses during the Coronavirus pandemic, the Council has moved quickly to agree its criteria for distribution to ensure that businesses affected have access to the appropriate support available.
- 4.2 The Local Restrictions Support Grant (LRSG), although available since October had not previously been relevant until Worcestershire entered its Tier 2 status in December, having not applied to Tier 1 areas. The Council cannot launch the grant until it receives the grant determination letter from Government, which is still awaited.
- 4.3 The LRSG is primarily aimed at hospitality, hotel, bed and breakfast and leisure businesses. The Council has the discretion to decide how to award grant funding to

those businesses affected and may award to other businesses outside those sectors. The Council's proposed policy for distribution of the LRSG is set out in Appendix 1.

- 4.4 Government acknowledges that local authorities are best placed to determine local needs for supporting recovery and they want Local Authorities to exercise their local knowledge and discretion recognising that economic need will vary across the country. Therefore, while Government is setting suggested criteria for the funding, they are allowing Local Authorities to determine exactly which businesses to support. In taking decisions on the appropriate level of grant, local authorities may decide to take into account the level of fixed costs faced by the business in question, the number of employees, whether they are unable to trade online and the consequent scale of coronavirus losses
- 4.6 The LRSG will be available in parallel with the Additional Restrictions Grant and will be administered through the North Worcestershire Economic Development & Regeneration team.

5. FINANCIAL IMPLICATIONS

- 5.1 Under the LSRG funding is made directly to the Council from Government to cover the costs of the grants awarded. Local Authorities, which are the recognised business rates billing authorities in England, receive the funding from Government and are responsible for making payments to businesses. On 16 December, the Government notified the Council of its grant allocation of £262,876.

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.
- 6.2 In line with the eligibility criteria set out in this guidance, Government will provide grant funding to local authorities to support eligible businesses that are affected by Tier 2 or 3 restrictions. This funding was previously provided on a rolling 28-day basis, but following the national lockdown between 5 November and 2 December, it will be provided in rolling 14-day eligibility cycles for as long as Tier 2 or 3 restrictions apply, in line with the grant offer letter sent to Local Authorities (using a grant under section 31 of the Local Government Act 2003).

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 promoted in a way that maximises take up by Wyre Forest businesses;

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 LRSG policy and the delegation set out in the recommendation which will enable the grants to be distributed promptly once the grant determination letter has been received.

10. CONSULTEES

10.1 Cabinet

10.2 Corporate Leadership Team

11. BACKGROUND PAPERS

11.1 BEIS Guidance for the application of LRSG published December 2020.

APPENDIX 1



Wyre Forest District Council Local Restrictions Support Grant (OPEN) Scheme (2 December 2020 onwards)



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Definitions

The following definitions are used within this document:

‘Additional Restrictions Grant (ARG)’ means the additional funding provided by Government. Funding will be made available to eligible Local Authorities at the point that national restrictions are imposed or at the point the Local Authority first entered LCAL 3 local restrictions;

means the infectious disease caused by the most recently discovered **‘Department for Business, Energy & Industrial Strategy (BEIS)’**; means the Government department responsible for the scheme and guidance;

‘Effective date’; means, for eligibility of the grant, the date of the local restrictions or the date of widespread national restrictions. For the purpose of this scheme the date cannot be before 9th September 2020;

‘Hereditament(s)’; means the assessment defined within Section 64 of the Local Government Finance Act 1988;

‘In-person services’ means services which are wholly or mainly provided by the business to their customers face to face and which **cannot** be provided by other means such as online or remotely by telephone, email, video link, or written communication;

‘Local Covid Alert Level’ (LCAL) means the level of alert determined by Government and Local Authorities for the area. LCALs have three Tiers. Tier 1 (Medium): Tier 2 (High) and Tier 3 (Very High). For the purposes of these schemes the definitions used are LCAL1, LCAL2 and LCAL3.

‘Local lockdown’; means the same as **‘Local restrictions’**;

‘Local rating list’; means the list as defined by Section 41 of the Local Government Finance Act 1988

‘Local restrictions’; and **‘Localised restrictions’** means legally binding restrictions imposed on specific Local Authority areas or multiple Local Authority areas, where the Secretary of State for Health and Social Care requires the closure of businesses in a local area under regulations made using powers in Part 2A of the Public Health (Control of Disease) Act 1984 in response to the threat posed by coronavirus and commonly as part of a wider set of measures;

‘Local Restrictions Support Grant Scheme (Closed)’; means the grant scheme developed by the Council in response to an announcement made by the Secretary of State for Business, Energy & Industrial Strategy made on 9th September 2020, amended on 9th October 2020 and which is applicable to businesses forced to close under either LCAL3 or where national restrictions are in place;

Local Restrictions Support Grant Scheme (Open); means the grant scheme developed by the Council in response to an announcement made by the Secretary of State for Business, Energy & Industrial Strategy made on 22nd October 2020 and which is applicable to businesses that are still open but severely impacted by the restrictions imposed by LCAL2 and LCAL3;

Local Restrictions Support Grant Scheme (Sector); means the grant scheme developed by the Council in response to an announcement made by the Secretary of State for Business, Energy & Industrial Strategy made on 9th October 2020 (effective from 1st November) and which is applicable to businesses that have

been required to close on a national basis since 23rd March 2020 due to restrictions being put in place to manage coronavirus;

'Rateable value'; means the rateable value for the hereditament shown in the Council's local rating list at the date of the local restrictions;

'Ratepayer'; means the person who will receive the grant will be the person who, according to the Council's records, was the ratepayer liable for occupied rates in respect of the hereditament at the date of the local restrictions;

'State Aid Framework'; means the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak published on 19 March 2020; and

'Temporary Framework for State aid'; means the same as the **'State Aid Framework'**.

1.0 Purpose of the Scheme and background

1.1 The purpose of this document is to determine eligibility for a payment under the Council's Local Restrictions Support Grant Scheme (Open).

1.2 The grant scheme has been developed by the Council in response to an announcement made by the Secretary of State for Business, Energy & Industrial Strategy made on 22nd October 2020 which sets out circumstances whereby a grant payment may be made by the Council to businesses that are not legally required to close but which are severely impacted by the localised restrictions on socialising put in place to manage coronavirus and save lives.

1.3 Whilst the awarding of grants will be the Council's responsibility, the Department for Business, Energy & Industrial Strategy (BEIS) has set down certain criteria which **must** be met by each business making an application. The Department has also indicated the types of business which should be given the grant.

1.4 The scheme applies where local restrictions either under LCAL2 (High) or LCAL3 (Very High) are put in place on or after 1st August 2020.

1.5 Localised restrictions are legally binding restrictions imposed on specific Local Authority areas or multiple Local Authority areas, where the Secretary of State for Health and Social Care requires the closure of businesses in a local area under regulations made using powers in Part 2A of the Public Health (Control of Disease) Act 1984 in response to the threat posed by coronavirus and commonly as part of a wider set of measures.

1.6 Grants under this scheme will be available for the 2020/21 financial year only.

1.7 Where there is a widespread national restriction, this scheme will be replaced by the Council's Local Restrictions Support Grant Scheme (Closed) and potentially the Additional Restrictions Grant (ARG) scheme.

2.0 Funding

2.1 Local Authorities, subject to local eligibility, will receive funding to meet the cost of payments to businesses within the business rates system based on an assessment of the number of eligible business hereditaments.

3.0 Eligibility criteria

3.1 The Local Restrictions Support Grant (Open) is primarily aimed at hospitality, hotel, bed & breakfast and leisure businesses. The Council does have the discretion as to how to award grant funding to individual businesses and may award to businesses outside of these sectors.

3.2 Government, whilst wanting Councils to exercise their local knowledge and discretion, has strongly suggested that the Council follow their criteria for the awards. The Council has decided to adopt these principles, and, in all cases, the Council will only consider businesses for grants where **all** of the criteria are met.

Eligibility criteria determined by the Council.

3.3 The Council has determined the following criteria:

- (a) Businesses that were established and trading on the day prior to the introduction of LCAL 2-type (High) or LCAL 3-type (Very High) restrictions within the area are eligible;
- (b) All businesses can apply, however, those that provide hospitality, hotel, bed & breakfast and leisure businesses will be considered as priority. The grant allocation will be determined on the basis of the property's Rateable Value (RV).
- (c) All businesses that are not legally required to close but which are severely impacted by the localised restrictions on socialising are eligible. Each business will be required to certify to the Council that they have been severely impacted by the restrictions. Businesses will need to provide proof of a reduction of at least 30% in turnover.

4.0 The grant award, award periods and excluded businesses

Where the business is shown in the local non-domestic rating list

4.1 The Council has decided that the following awards shall be granted:

- (a) Grants of up to £467 per 14-day period for businesses occupying hereditaments with a rateable value of £15,000 or under on the date of the commencement of the local restrictions (LCAL2 or LCAL3);
- (b) Grants of up to £700 per 14-day period for businesses occupying hereditaments with a rateable value over £15,001 and less than £51,000 on the date of the commencement of the local restrictions (LCAL2 or LCAL3);
- (c) Grants of up to £1,050 per 14-day period for businesses occupying hereditaments with a rateable value of £51,001 or above on the date of the commencement of the local restrictions (LCAL2 or LCAL3).

Where the business is NOT shown in the local non-domestic rating list

4.2 In addition to the above, the Council has decided to award grants of up to £467 per 14-day period to businesses who are not currently shown in the non-domestic rating list, who are able to remain open but who are severely impacted by the restrictions, as follows:

- a) Businesses in shared spaces. These will need to provide evidence of property costs i.e. rent / lease / licence agreements, utilities invoices and / or telephone / broadband invoices (evidence of trading location) and bank statements (evidence of trading);
- b) Bed & Breakfast businesses that pay Council Tax rather than business rates. These will need to provide company registration number / UTR; bank statements (evidence of trading) and Council Tax Bill / Account number

4.3 In addition, the Council has decided to award grants to market traders, as follows:

a) Market traders – £46.70 for each day's worth of normal market activity in Wyre Forest across a 14-day period, subject to a maximum payment of £467. These will need to provide company registration number/ UTR; bank statements (evidence of trading) and rent invoices (evidence of trading location).

5.0 Excluded businesses

5.1 The following businesses will **not** be eligible for an award:

(a) Businesses that are able to continue to trade and are not severely impacted as they can continue to provide their services normally;

(b) Businesses in areas outside the scope of the localised restrictions, as defined by Government;

(c) Businesses which have already received grant payments that equal the maximum levels of State aid permitted under the de minimis and the COVID-19 Temporary State Aid Framework;

(d) Businesses that were in administration, are insolvent or where a striking-off notice has been made at the date of the local restriction or national restriction; and

(e) Specific businesses subject to national closures since 23rd March 2020 will not be eligible for this funding. They will be provided support through the strand of the Local Restrictions Support Grant (Sector) for nationally mandated business closures.

6.0 The Effective Date

6.1 The effective date for eligibility of grants under this scheme is the date of the local restrictions.

6.2 Where a business is shown in the local non-domestic rating list the Rateable Value used in determining the level of grant will be that shown for the hereditament in the local rating list as at the effective date. Any changes to the local rating List (Rateable Value or to the hereditament) after that date, including changes which have been backdated to this date, will be ignored for the purposes of eligibility.

6.3 The Council is not required to adjust, pay or recover grants where the local rating list is subsequently amended retrospectively to the effective date.

7.0 Who can receive the grant?

7.1 Government has stated that the person who will receive the grant will be, where the business has a hereditament in the local non-domestic rating list, the person who, according to the Council's records, was the ratepayer in respect of the hereditament at the effective date. Where the business is not subject to rating, the Council will decide who should receive the grant.

7.2 Where grants are awarded to businesses who are not liable for rates, the Council shall decide who shall be awarded the grant.

7.3 Where the Council has reason to believe that the information it holds about the ratepayer or business at the effective date is inaccurate, it may withhold or recover the grant and take reasonable steps to identify the correct ratepayer.

7.4 Where, it is subsequently determined that the records held are incorrect, the Council reserves the right to recover any grant incorrectly paid.

7.5 Where any business or individual misrepresents information or contrives to take advantage of the scheme, the Council will look to recover any grant paid and take appropriate legal action. Likewise, if any business or individual is found to have falsified records in order to obtain a grant.

8.0 How will grants be provided to Businesses?

8.1 The Council is fully aware of the importance of these grants to assist businesses and support the local community and economy. The Local Restrictions Support Grant (Open) scheme will offer a lifeline to businesses who are struggling to survive during to the COVID- 19 crisis.

8.2 Details of how to obtain grants are available on the Council's website:

www.council.gov.uk/localrestrictions

8.3 In all cases businesses will be required to confirm that they are eligible to receive the grants. This includes where the Council already has bank details for the business and are in a position to send out funding immediately. Businesses are under an obligation to notify the Council should they no longer meet the eligibility criteria for any additional grants.

8.4 The Council reserves the right request any supplementary information from businesses, and they should look to provide this, where requested, as soon as possible.

8.5 An application for a Local Restrictions Support Grant (Open) is deemed to have been made when a duly completed application form is received via the Council's online procedure. The deadline for submitting grant applications is 31 January 2021.

8.6 All monies paid under this scheme will be funded by Government and paid to the Council under S31 of the Local Government Act 2003.

9.0 EU State Aid requirements

9.1 Any Local Restrictions Support Grant is given as aid under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak published on 19 March 2020. This means that businesses receiving support under these provisions can receive up to €800,000 in aid over three years (being the current and the previous two years).

9.2 Any grant awarded is required to comply with the EU law on State Aid. This will involve the applicant declaring to the Council if they have received any other de minimis State aid or aid provided under the EU Commission COVID-19 Temporary Framework.

9.3 If the applicant has not received any other de minimis State aid, they are not required to make that declaration to the Council or to complete any declaration statement.

10.0 Scheme of Delegation

10.1 The Council has approved this scheme.

10.2 Officers of the Council will administer the scheme and the Corporate Director for Economic Prosperity and Place is authorised to make technical scheme amendments to ensure it meets the criteria set by the Council and in line with Government guidance.

11.0 Notification of Decisions

11.1 Applications will be considered on behalf of the Council by the North Worcestershire Economic Development and Regeneration service (NWedR).

11.2 All decisions made by the Council shall be notified to the applicant either in writing or by email. A decision shall be made as soon as practicable after an application is received.

12.0 Reviews of Decisions

12.1 The Council will operate an internal review process and will accept an applicant's request for a review of its decision.

12.2 All such, requests must be made in writing to the Council within 14 days of the Council's decision and should state the reasons why the applicant is aggrieved with the decision of the Council. New information may be submitted at this stage to support the applicant's appeal.

12.3 The applicant will be informed in writing or by email of the decision, as soon as practicable.

13.0 Complaints

13.1 The Council's 'Let Us Know What You think' policy (available on the Council's website) will be applied in the event of any complaint received about this scheme.

14.0 Taxation and the provision of information to Her Majesty's Revenues and Customs (HMRC)

14.1 The Council has been informed by Government that all payments under the scheme are taxable.

14.2 The Council does not accept any responsibility in relation to an applicant's tax liabilities and all applicants should make their own enquiries to establish any tax position.

14.3 All applicants should note that the Council is required to inform Her Majesty's Revenue and Customs (HMRC) of all payments made to businesses.

15.0 Managing the risk of fraud

15.1 Neither the Council, nor Government will accept deliberate manipulation of the schemes or fraud. Any applicant caught falsifying information to gain grant money or failing to declare

entitlement to any of the specified grants will face prosecution and any funding issued will be recovered from them.

15.2 Applicants should note that, where a grant is paid by the Council, details of each individual grant may be passed to Government.

16.0 Recovery of amounts incorrectly paid

16.1 If it is established that **any** award has been made incorrectly due to error, misrepresentation or incorrect information provided to the Council by an applicant or their representative(s), the Council will look to recover the amount in full.

17.0 Data Protection and use of data

17.1 All information and data provided by applicants shall be dealt with in accordance with the Council's Data Protection policy and Privacy Notices which are available on the Council's website.