

**FORM 2**

**NOTICE OF DECISION OF CABINET MEMBER**

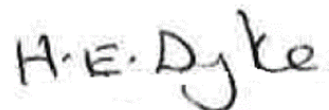
Pursuant Section 15(4) of the Local Government Act 2000, as amended by section 63 of the Local Government and Public Involvement in Health Act 2007, the senior executive member may discharge any of the functions that are the responsibility of the Cabinet or may arrange for them to be discharged by another member of the Cabinet or Officer. On 1<sup>st</sup> 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:

<b>Subject</b>	<b>Decision</b>	<b>Reason for decision</b>	<b>Date for Decision to be taken</b>
Updated Additional Restrictions Grant policy	To decide the Wyre Forest District Council's scheme for the Local Authority Additional Restrictions Grants (ARG) Fund for businesses affected by the COVID-19.	Changes to Policy	20 <sup>th</sup> May 2021

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

Dated: 20<sup>th</sup> May 2021



Signed: .....

Councillor: .....

Leader

## WYRE FOREST DISTRICT COUNCIL

### Strong Leader Report

#### LOCAL AUTHORITY DISCRETIONARY GRANTS FUND – THIRD REVISIONS TO SCHEME

<b>OPEN</b>	
<b>DIRECTOR:</b>	Chief Executive
<b>CONTACT OFFICER:</b>	Ostap Paparega, Head of NWedR
<b>DATE:</b>	19 May 2021
<b>APPENDICES:</b>	Appendix 1: Additional Restrictions Grant scheme for Wyre Forest (4 May 2021)

#### **1. PURPOSE OF REPORT**

- 1.1 To decide the Wyre Forest District Council's scheme for the Local Authority Additional Restrictions Grants (ARG) Fund for businesses affected by the COVID-19.

#### **2. RECOMMENDATION**

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

#### **3. BACKGROUND**

- 3.1 On 31 October 2020, the Government announced the introduction of additional support for local authorities under national and Local Covid Alert Level (LCAL) 3 restrictions. This support takes the form of a funding scheme in the financial year 2020-2021 and can be used across the financial years 20/21 and 21/22. The scheme is called the Additional Restrictions Grant (ARG) and is administered by business rate billing authorities in England. Since then, additional support has been provided to local authorities. Wyre Forest DC has received a total of £2,925,553.
- 3.2 Local authorities can use this funding for business support activities. It is envisaged that this will primarily take the form of discretionary grants, but local authorities (LAs) could also use this funding for wider business support activities.
- 3.3 If local authorities use ARG for direct business support grants, the same conditions of grant apply as for the Local Restrictions Support Grant (Closed), however local authorities will have the discretion to alter the amount of funding offered to individual businesses and the frequency of payment.
- 3.4 Local authorities can determine how much funding to provide to businesses from the ARG funding provided and exactly which businesses to target.
- 3.5 Local authorities are encouraged to develop discretionary grant schemes to help those businesses which – while not legally forced to close – are nonetheless

severely impacted by the restrictions put in place to control the spread of Covid-19. This could include – for example – businesses which supply the retail, hospitality, and leisure sectors, or businesses in the events sector.

- 3.6 Local authorities may also choose to help businesses outside the business rates system, which are effectively forced to close – for example market traders.
- 3.7 Local authorities could use ARG funding to provide additional support to larger local businesses which are important to the local economy, on top of the funding provided to those businesses via the LRSG (Closed) scheme, with due reference to State Aid.
- 3.8 In taking decisions on the appropriate level of grant, local authorities may want 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.
- 3.9 The grant amounts given to individual businesses will be subject to state aid limits.

#### **4. KEY ISSUES**

- 4.1 The council's previous discretionary grant was designed to support those businesses that had fixed property costs but did not appear on the business rates list i.e. in shared spaces; bed & breakfast establishments that paid council tax rather than business rates; some retail & hospitality businesses that were excluded from the Retail & Hospitality grants (with an RV over £51k); and businesses that were in the supply chain for retail, hospitality and leisure sector.
- 4.2 There also businesses that were impacted by the national lockdowns and have never been able to reopen. These include those in the events sector. Businesses in the tourism sector have also been disproportionately impacted by the restrictions in place. Venues such as theatres, nightclubs and concert halls have not traded since March 2020, but the impact of this is much wider and has significantly affected the businesses that provide services to this sector. Activities such as travel agencies and small scale tour operators have also seen demand significantly reduced. Some of these businesses have benefited from the Local Restrictions Support Grant; however, many have not, as they weren't specifically required to close in the current restrictions.
- 4.3 Broad SIC codes will be used to identify potential businesses but the individual applicants should be required to provide evidence that they are predominantly within the events or retail, hospitality and leisure supply chains. The scheme should also require applicants to demonstrate that they have significantly reduced turnover.
- 4.4 This report proposes to allocate the remaining ARG funding via a top-up ARG scheme, a Recovery Grant Scheme and a Strategic Businesses Scheme. Eligible businesses will have until 31 May to submit an online grant application.

4.5 Appendix 1 sets out the full details of the ARG scheme, Recovery Grant Scheme and the Strategic Businesses Grant schemes.

4.6 Wyre Forest District Council officers held discussions with colleagues from other local authorities in the county on the design of these scheme and areas of possible policy alignment, but taking into account the specific needs and characteristics of the respective local economies.

## **5. FINANCIAL IMPLICATIONS**

5.1 Under the Additional Restrictions Grant (ARG), local authorities received a series of payments. This equates to a total of £2,925,553 for Wyre Forest.

5.2 To date Wyre Forest DC has awarded £1,137,000 with a further £460,000 provisionally allocated subject to receipt of outstanding evidence. This leaves £1,328,553 left to be spent. This amount can be spent by March 2022, but if the council wants to receive further additional (top-up) funding, it must spend the remaining funding by end of June 2021.

5.3 The revised policy attached an Appendix 1 details the proposals to spend the remaining funding by the end of June 2021 and thus enable the council to receive 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 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 scheme for the Additional Restrictions Grant, Recovery Grant and Strategic Business Grant as set out in Appendix 1.

## **10. CONSULTEES**

10.1 Cabinet

10.2 Corporate Leadership Team

## **11. BACKGROUND PAPERS**

11.1 Guidance from BEIS (November 2020, updated 4 May 2021) –

[Additional Restrictions Grant: guidance for Local Authorities \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/95422/additional-restrictions-grant-guidance-for-local-authorities.pdf)



**WYRE FOREST DISTRICT COUNCIL**

**ADDITIONAL RESTRICTIONS GRANT SCHEME**

**(updated 19 May 2021)**

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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 was made available to eligible Local Authorities at the point that national restrictions were imposed or at the point the Local Authority first entered LCAL 3 local restrictions;

**'COVID-19' (coronavirus);** 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 5/1/21;

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

**'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 9 September 2020 and amended on 9 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 (Closed) Addendum;** means the changes made to the Local Restrictions Support Grant Scheme (Closed) due to widespread nationwide restrictions;

**'Ratepayer';** means 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 or widespread national 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'**. Wyre Forest District Council/Additional Restrictions Grants Scheme (ARG) 04112020



## **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 Additional Restrictions Grant Scheme (updated 19 May 2021). The Council, as the Business Rates Billing Authority is responsible for payment of these grants.

1.2 This discretionary grant scheme has been developed by the Council in response to an announcement made by the Secretary of State for Business, Energy & Industrial Strategy on 31 October 2020, which sets out the basic circumstances whereby an additional restriction grant payment may be made by the Council to a business which has to close or is severely affected due to localised or widespread national restrictions being put in place to manage coronavirus and save lives.

1.3 Whilst the awarding of grants will largely be at the Council's discretion, the Department for Business, Energy & Industrial Strategy (BEIS) has set down criteria which **must** be met by each business making an application.

1.4 The scheme applies where local restrictions (LCAL3) are put in place **or** where a widespread national lockdown is announced.

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 National restrictions are nationally binding widespread restrictions imposed by Parliament under legislation. The current national restrictions are made under the Health Protection (Coronavirus, Restrictions) (England) (No. 4) Regulations 2020.

1.7 Grants under this scheme will be available for the 2020/21 and 2021/22 financial years only.

1.8 No grant shall be paid for any period where the localised or widespread national restrictions were in place prior to 14 October 2020.

1.9 Where any area enters either a localised restriction (LCAL3) or where a national restriction applies, additional assistance may be given to businesses under the Council's Local Restrictions Support Grants (Closed) Scheme (as amended).

## **2.0 Funding**

2.1 Under the Additional Restrictions Grant Scheme (ARG) provisions, Local Authorities received a one-off lump sum payment amounting to £20 per head in each area when local restrictions (LCAL3) or widespread national restrictions are imposed. In addition, a further £899,733 was awarded in January 2021 resulting in a total budget of £2,925,553.

2.2 If the Council distributes its full allocation by 30/6/2021, it will receive a further allocation of funding in the amount of £770,386. Further top-up funding may be allocated at the Government's discretion.

## **3.0 Eligibility criteria and awards**

3.1 The Council is able to use this funding for business support activities and the Government envisages that this will primarily take the form of discretionary grants although it can be used for wider business support activities.

In its guidance dated 4/3/2021, Government authorised Local Authorities to provide additional support to larger local businesses which are important to the local economy. This support can be in addition to any funding provided by other schemes but with due reference to subsidy allowance conditions.

3.3 Government has stated that the Council *may* also consider making grant payments to those businesses which, while not legally forced to close are nonetheless severely impacted by the restrictions put in place to control the spread of Covid-19. Government has also stated that the Council may also wish to assist business which are outside of the rating system and which are effectively forced to close.

3.4 Local Authorities are also encouraged to support businesses from all sectors that have been significantly impacted by the restrictions in place but are not eligible for the Restart Grant Scheme.

3.5 The Council has decided that the Additional Restrictions Grant allocation will be used to fund three schemes:

- the Additional Restrictions Grant covering the periods of national lockdowns and relevant local lockdowns
- the Recovery Grant, a one-off payment to businesses in receipt of the Additional Restrictions Grant 2021 to assist them to return to normal trading; and
- the Strategic Businesses grant, for large and strategic employers and key arts, culture and tourism assets.

### **Additional Restrictions Grant 2021**

#### **Proposed Eligible Businesses and Indicative Grant Allocations**

3.6 Where a business is shown in the local non-domestic rating list, the following grants will be awarded:

Rateable Value	Grant Amount
Up to £15,000	£4,097
Between £15,001 and £51,000	£6,143
£51,001 plus	£9,214

3.7 Where a business is not shown in the local non-domestic rating list, the following grants will be awarded:

Eligible businesses	Amount
Market Trader regularly trading on a market in Wyre Forest	£66.70 for each day's worth of normal market activity in Wyre Forest during the 12 week period, subject to a maximum payment of £4,097
Bed & Breakfast that pays Council Tax rather than business rates	£4,097
Businesses in shared spaced that have been forced to close	£4,097
Businesses that provide mobile personal care services that are required to close	£4,097
Business that trade under a street trading licence	£4,097
Any other eligible business	£4,097

#### **Eligibility Criteria**

3.8 Any business can apply; however, the following will be considered as priority:

- Businesses that supply goods and services to businesses in the retail, hospitality and leisure sectors;
- Businesses that supply goods and services to the events sector;
- Businesses that have fixed property costs but do not have a separate listing on the business rates system, eg Market Traders, Street Licence Holders, Businesses in Shared Spaces;
- Businesses that provide mobile personal care services that are required to close;

- Businesses that, whilst not required to close, have been significantly impacted by the restrictions in place.

3.9 All applicants will be required to demonstrate that they have been significantly impacted by the restrictions in place.

3.10 Businesses that have been mandated to close and are eligible for the Local Restrictions Support Grant (Closed Addendum) are not eligible for the Additional Restrictions Grant.

## Recovery Grant

### Proposed Eligible Businesses and Indicative Allocations

3.11 Where a business is shown in the local non-domestic rating list, the following grants will be awarded:

Rateable Value	Grant Amount
Up to £15,000	£2,000
Between £15,001 and £51,000	£3,000
£51,001 plus	£4,500

3.12 Where a business is not shown in the local non-domestic rating list, the following grants will be awarded:

Eligible businesses	Amount
Market Trader regularly trading on a market in Wyre Forest	£400 for each regular trading day in a week in Wyre Forest, subject to a maximum payment of £2,000
Bed & Breakfast that pays Council Tax rather than business rates	£2,000
Businesses in shared spaced that have been forced to close	£2,000
Businesses that provide mobile personal care services that are required to close	£2,000
Business that trade under a street trading licence	£2,000
Any other eligible business	£2,000

## Eligibility Criteria

3.13 To be eligible for a Recovery Grant, businesses must have received an Additional Restrictions Grant 2021. The Additional Restrictions Grant is currently open to new applications.

3.14 Businesses that are eligible for the Restart Grant **are not** eligible for the Recovery Grant.

## Strategic Business Grant

3.15 Officers will work with the local Growth Hubs to identify strategic businesses and key arts, culture, recreation and tourism assets. Eligibility criteria will include number of employees and impact on the local economy. The businesses will be invited to apply for a Strategic Business Grant.

3.16 Grant amounts will be based upon available funding but will be a minimum £50,000 per business.

## **Excluded businesses – All Grants**

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

- (a) Businesses in areas outside the scope of the localised restrictions, as defined by Government and not subject to a widespread national restriction;
- (b) Businesses that have chosen to close but not been required to, will not be eligible;
- (c) Businesses which have already received grant payments that equal the maximum levels of subsidy under the Covid-19 Business Grant Allowance (£1,600,000 per economic actor) ; and
- (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 widespread national restriction.

### **The Effective Date**

3.18 The effective date for eligibility is the date of the widespread national or local restrictions (LCAL3). Businesses **must** have been trading on the first full day of national or LCAL3 restrictions to be eligible to receive grant support.

### **Who can receive the grant?**

3.19 In **all** cases, Government has stated that the person who will receive the grant will be the person who, according to the Council's records, was the ratepayer in respect of the hereditament at the effective date.

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

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

3.22 Where any business 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 ratepayer is found to have falsified records in order to obtain a grant.

3.23 Where there is no entry in the rating list for the business, the Council will have discretion to determine who should receive the grant.

3.24 The Council retains the discretion to consider grant awards in exceptional circumstances.

## **4.0 How will grants be provided to businesses?**

4.1 The Council is fully aware of the importance of these grants to assist businesses and support the local community and economy. The Council's Additional Restrictions Grant (ARG) scheme together with the Local Restrictions Support Grant (Closed) will offer a lifeline to businesses who are struggling to survive during to the COVID-19 crisis.

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

[https://www.wyreforestdc.gov.uk/community-wellbeing-and-environment/coronavirus-\(covid-19\)/business-support-local-restrictions-support-grant.aspx](https://www.wyreforestdc.gov.uk/community-wellbeing-and-environment/coronavirus-(covid-19)/business-support-local-restrictions-support-grant.aspx)

4.3 Where a business has previously received an Additional Restrictions Grant for the period 5/11/20 to 2/12/20 and / or Local Restrictions Support Grant (Open), they will automatically be considered for an Additional Restrictions Grant (2021).

4.4 In all cases, businesses will be required to confirm that they are eligible to receive the grants. This includes circumstances 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.

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

4.6 An application for an Additional Restriction Grant is deemed to have been made when a duly completed application form is received via the Council's online procedure.

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

## **5.0 State Aid**

Any grant is given as aid in accordance with the Small Amounts of Financial Assistance Allowance (Article 3.2(4) of the Trade and Co-operation Agreement), which enables an applicant to receive up to £335,000 over any period of three fiscal years. Where the Small Amounts of Financial Assistance Allowance has been reached, grants may be paid in compliance with the Trade and Co-operation Agreement under the COVID-19 Business Grant Allowance (subsidies granted on a temporary basis to respond to a national or global economic emergency). For the purposes of these scheme rules, this allowance is £1,600,000 per single economic actor. This allowance includes any grants previously received under the COVID-19 business grant schemes and any State aid previously received under Section 3.1 of the European Commission's Temporary Framework across any other UK scheme. This may be combined with the Small Amounts of Financial Assistance Allowance to equal £1,935,000.

## **6.0 Scheme of Delegation**

6.1 The Council has approved this scheme.

6.2 Officers of the Council will administer the scheme and the Section151 Officer is authorised to make technical scheme amendments to ensure it meets the criteria set by the Council and, in line with Government guidance.

## **7.0 Notification of Decisions**

7.1 Applications will be considered on behalf of the Council by the North Worcestershire Economic Development and Regeneration service.

7.2 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.

## **8.0 Reviews of Decisions**

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

8.2 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.

8.3 The application will be reconsidered by a senior officer, as soon as practicable and the applicant informed in writing or by email of the decision.

## **9.0 Complaints**

9.1 The Council's 'Complaints Procedure' (available on the Council's website) will be applied in the event of any complaint received about this scheme.

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

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

10.2 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.

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

## **11.0 Managing the risk of fraud**

11.1 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.

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

## **12.0 Recovery of amounts incorrectly paid**

12.1 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.

## **13.0 Data Protection and use of data**

13.1 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.