

# Scrutiny Board Meeting

Tuesday, 13 June 2023

Dear Councillor

## **SCRUTINY BOARD - TUESDAY, 13TH JUNE, 2023**

I am now able to enclose, for consideration at next Tuesday, 13th June, 2023 meeting of the Scrutiny Board, the following documents that were received by email at 1:31am on Tuesday, 13 June 2023. The Chair appreciates that these have been received close to the meeting but has asked that they been published as a supplementary document.

### **Agenda No    Item**

6            **City West Relaunch Grant Scheme - Payments (Pages 3 - 72)**

If you have any queries about this meeting, please contact the democratic support team:

**Contact**    Martin Stevens DL

**Tel**            01902 550947

**Email**        [martin.stevens@wolverhampton.gov.uk](mailto:martin.stevens@wolverhampton.gov.uk)

**Address**    Scrutiny Office, Civic Centre, 1st floor, St Peter's Square,  
Wolverhampton WV1 1RL

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**FAO:**

**Agenda Item No: 6**

Councillor Philip Bateman MBE (Chair)	Labour
Councillor Ellis Turrell (Vice-Chair)	Conservative
Martin Stevens (Clerk)	
David Pattison (Chief Operating Officer)	
Councillor Valerie Evans	Labour
Councillor Rita Potter	Labour
Councillor Wendy Thompson	Conservative
Councillor Simon Bennett	Conservative
Councillor Susan Roberts MBE	Labour
Councillor Barbara McGarrity QN	Labour
Councillor Jacqueline Sweetman	Labour
Councillor Qaiser Azeem	Labour
Councillor Jacqui Coogan	Labour
Councillor Anwen Muston	Labour
Councillor John C Reynolds	Labour

WSTG has reviewed the 288-page document submitted by the council as relevant documentary evidence to the City Centre West Relaunch Grant scheme and found it quite difficult to navigate in terms of cross-referencing and finding relevant information quickly and easily. This is particularly notable with regards to the Briefing Note Section 4 responses.

- Unmarked appendices - no headers or page locations
- Incorrectly placed blank pages
- Irregular order of documents

Having reviewed the responses from the council in briefing note section 4, WSTG were disappointed to have again received responses that were incomplete, included errors, omitted information, did not include relevant references and responses that are copied and pasted from previous correspondence.

As a result of these inconsistencies, WSTG have compiled this document as a further response to the council regarding these issues and concerns.

For clarity, each response is set out to the original Briefing Note Order, shows a screenshot of the briefing note response (highlighted where necessary) followed by WSTG response and any relevant screenshots/cross-references.

**The council were asked to provide a document consisting of correspondence and evidence from their own traceability log and present it to scrutiny panel. This was clearly not done in full as pages 107-283 of the supplement is documentation compiled and provided by WSTG.**

**Appendices**

Appendix 1: Amended Appendices List

Appendix 2: Email from Marianne Page - December 2022

Appendix 3: Discretionary & Hardship Business Rates Relief

### 3. Relevant documentary evidence

3.1 The following sets out the activity and relevant documents or response related to the City West Relaunch Grant with accompanying communication to businesses and WSTG

Date	Activity	Appendix, documents or response
7 March	Council received the report from RSM on the review of the previous scheme and a recommendation to the council on how to implement a rigorous and robust framework to assess evidence of business loss.	Unable to make public as the doc contains commercially sensitive information
13 March	Council representatives met with the West Side Traders group. 6 members attended	1. Actions from the meeting 2. Email with actions To WSTG
14 March	Presentation to Scrutiny Board on a proposed way forward (City Centre West Relaunch grant) which received approval from board members	3. Presentation
16 March	Letters hand delivered or emailed. This included a copy of the presentation from Scrutiny Board and a request for businesses to give their views on two options: Option 1: adopt the extensive financial investigation approach recommended to the Council by independent experts RSM Option 2: A more inclusive, uniform and swifter Relaunch grant	4. Letter
22 March	Responses from traders to the options received	5. Outcome of Options
31 March	Cabinet Urgent decision relating to City Centre West Relaunch grant following the recommendations made by traders	6. Urgent Decision
4 April	Grant scheme go-live and letters hand delivered / emailed to all eligible businesses	7. Letter 8. Email
6 April	Letter (dated 4 April) and documents from WSTG objecting to the grant award received. Attached with an email along with documents and notes from WTSG	9. Letter 10. Email
21 April	Chief Executive response to WSTG letter of 6 April	11. letter
28 April	Follow up letter from Council to traders to extend the deadline for applications to the scheme to 31 March 2023	12. Letter
	Engagement and business visits to business in the area	No documents
2 May	Emergency Scrutiny Board	13 Paper 14 Minutes
24 May	extension of the closing date for grant applications to 30 June 2023	15 Cabinet decision
5 June	As at 9am on Monday 5 June 2023 – 37 applications have been received from eligible businesses (66% of total eligible businesses)	

#### 3.1 Briefing Note Page 4 - Appendices 1-6

The email of minutes dated 13<sup>th</sup> March was not received until late Friday 17<sup>th</sup> March. Conveniently, points raised and verbal agreements made at the 13<sup>th</sup> March meeting by WSTG were not documented:

- WSTG not happy with directed choice for Relaunch. Requested seeing RSM report - refused.
- WSTG subgroup was asked to make a choice of which option, but this was refuted as WSTG subgroup could not make a decision on option 1 or 2 for all businesses as they are independents and needed to be consulted and fully informed.
- **It was agreed** by Cllr Simkins and Isobel Woods, that concerns raised by WSTG businesses with regards to options would need to be considered. This was totally ignored by Council.
- **It was agreed** for Council to host all traders 20<sup>th</sup> March and present options as there would be concerns. Council decided to go ahead with delivering letters **WITHOUT** notifying WSTG of their decision, knowing that further concerns would be registered.
- WSTG upheld their part by speaking to traders at meeting 20<sup>th</sup> March with respect to options, hence the earliest WSTG were able to respond was Tuesday 21<sup>st</sup> with feedback from traders meeting.
- WSTG was informed of Scrutiny meeting to be held 14<sup>th</sup> March by Cllr Simkins and invited WSTG to attend. This was viewed and attended by WSTG.

The response to Council & Minutes of WSTG Meeting were emailed and concerns were raised. No response from Isobel Woods until John Roseblade sent email 24<sup>th</sup> March acknowledging he would address the questions/concerns raised week beginning 27<sup>th</sup> March. **No response received by WSTG.** (Please see pages 4-6 of WSTG-Followup-Scrutiny2May23-Detailed-Log-1)

Council went to Cabinet 31<sup>st</sup> March for Special Urgent Decision. WSTG were unaware. Reference made to Public Realm Support Packages for Businesses - Briefing note from Isobel Woods to Economy Growth Scrutiny Panel was not a true representation of facts. This gave rise to WSTG doing a formal address to Council & Scrutiny Board

(Please see pages 9-17 of WSTG-Followup-Scrutiny2May23-Detailed-Log-1)

#### **4.1.1 Point One**

*Public realm work that took place during phase 1 which was deemed to be November 2021 to February 2023, in actual fact was Nov 2021 – May 2023*

#### **Response to Point One**

The programme of works was regularly shared with the WSTG through engagement in the area. This included unforeseen changes to the programme due to either bad weather such as snow, when a broken sewer pipe was discovered, and a close down of works to open up the area as much as possible for Christmas trading (at the request of the traders). The works timetable was also moved where possible, to fit with business operating times and deliveries and the contractor would commence work before business opening times.

#### **4.1.1 Briefing Note Page 5 / Council Supplement Report Page 107, Paragraph 3**

WSTG regularly queried the program of works including delays, as since the beginning of the public realm works, regardless of the traders' liaison officer, communications have been lacking. While we acknowledge that there were issues that were out of the control of the contractors and the council (collapsed sewer, gas leak etc) the issue with barriers causing problems with access has been ongoing. In the meeting on 5<sup>th</sup> December between council and WSTG subgroup various issues were raised which were listed in the minutes and re-iterated in the response to council on 13<sup>th</sup> December.

8. **Westside have explained sheer disappointment on the failings of Eurovia/Council :**
  1. Not sorting out delivery access for businesses when it should have been done over 2 months ago.
  2. The misuse of space at Bell Square wrt parking vehicles and making the whole space look like a Construction site.
  3. Reduce unnecessary barriers and create accessible walkways with Health and Safety in mind.
  4. Slowness of actually getting work done.
  5. Improved street lighting.
  6. No Xmas lights or lamp posts.
  7. No Christmas activity to generate/drum up trade for Westside.
  8. Westside suggested activities to coincide with an event to consider business trail.

**Cllr Simkins stated he would like to meet with senior manager of Eurovia** to challenge their lack of care or concern over businesses and urgency of work/ delays/failings and conduct in which works are being carried out.

*\* Cropped from Council Supplement Report Page 259*

It was WSTG that brought these issues regarding barriers/lights/access for Christmas trading to the council - again there was no fore-thought regarding these from either the council or Eurovia.

Furthermore, it re-indicates the lack of understanding from the council as to the effect of such works on businesses, particularly with regards to access. **The implication that delays are because of traders' requests is insulting.** Especially as the street access was still restricted at both ends of Victoria Street main stretch as late as Christmas Eve 2022.

weather such as snow, when a broken sewer pipe was discovered, and a close down of works to open up the area as much as possible for Christmas trading (at the request of the traders). The works timetable was also moved where possible, to fit

*\* Cropped from Briefing Note Response 4.1.1*

Date: Wednesday, 7 December 2022 at 16:37 GMT

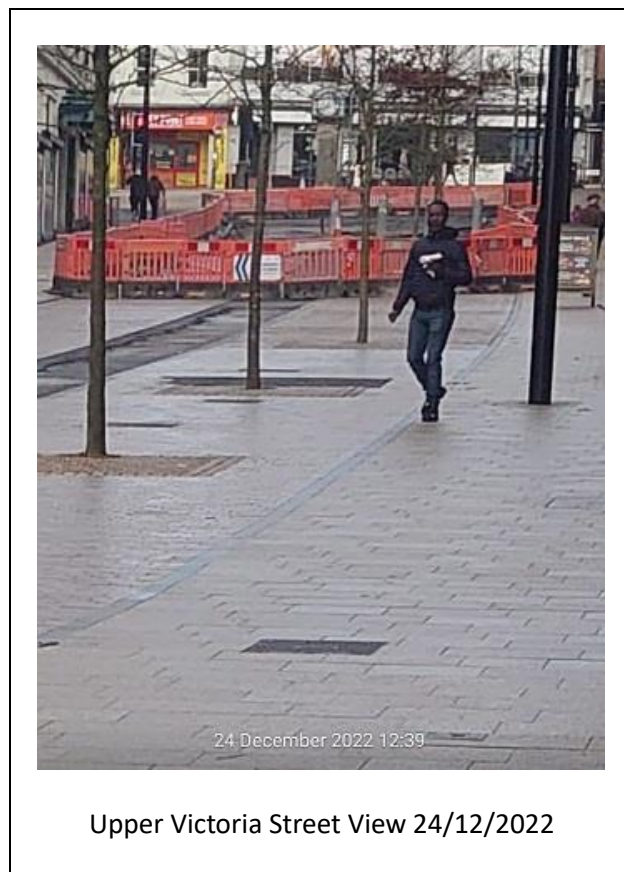
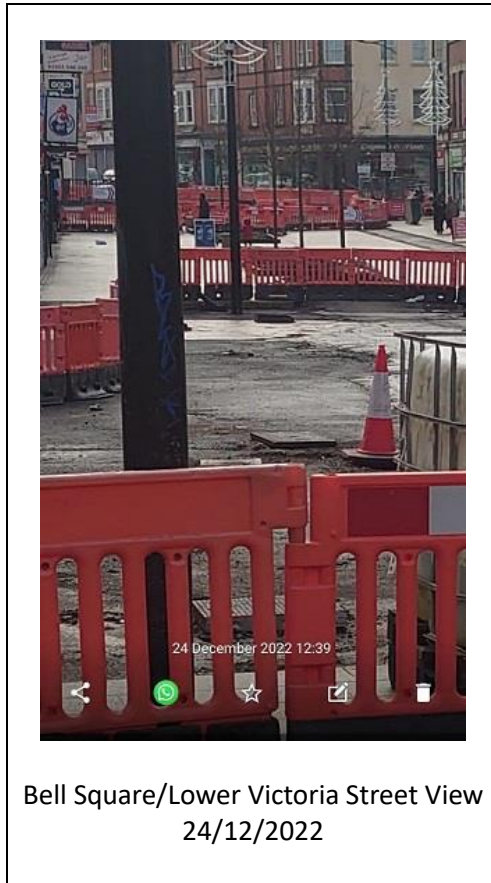
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Hi Billy and Des,

I hope you are both well. As agreed at the meeting on Monday, I said I would get an update out on what we are able to do to action the specific requests for the works area pre-Christmas:

- Street Lights and Christmas Lights: The 2 missing street lights are now in and connected, and you should hopefully see that Christmas Decorations are now up around the works area.
- Opening additional pedestrian routes / space before Christmas: We have worked with the contractors and taken on board the suggestion particularly around opening up a route through the Bell Square space. The attached plan shows the new arrangements for the next few weeks on the run up to Christmas, with as much pavement space and barrier removal as possible achieved. An update will be issued by Meg to all of the Traders in the area to let them know about the changes, and what that will mean in relation to any works planned outside of businesses.
- Bell Square area: The contractors have been asked to ensure they and sub-contractors do not leave unnecessary vehicles in any of the work areas, specifically not in locations which might detract from views through the area for the public.

*\* Cropped from email received from Marianne Page as a result of issues raised December 5<sup>th</sup>, 2022, Meeting (Appx 2)*



#### 4.1.2 Point two

*There has been a gross injustice to businesses of Victoria Street, Salop Street Skinner Street and School Street that the council did not provide WSTG business hardship relief as promised over 14 Months ago.*

#### Response to Point two

Whilst the Council acknowledges the impact the works may have had on traders, there is no legal responsibility for the council to make any payments in these circumstances. We have however said on numerous occasions that we were (and are) committed to providing support for business and would look at disturbance payment where there was clear and auditable evidence of loss.

In December 2022 business who met the requirements set out at that time received an urgent payment.

The council has been working with WSTG since April 2022. We have considered a number of support options with traders which included the option for a very rigorous and robust evidence-based financial assessment as recommended by RSM. The other option proposed was a simpler grant scheme as part of a wider business support package.

In March 2023 traders unanimously voted for the latter option and a package of support totalling some £400,000 of taxpayer's money was put in place to deliver this.

The council is committed to supporting business. It has to balance this against its wider obligations and the legal duty to spend public funds responsibly and in an open, transparent and auditable way, backed by evidence to support funding support decisions.

#### **4.1.2 Briefing Note Page 5 / Council Supplement Report Page 107, Paragraph 1 & 2**

It clearly states that where clear auditable evidence of loss was shown – Why did the Council not pay the 5 businesses the **full amount** where it was accepted, auditable and clearly demonstrated - paying them only £5k?

#### **4.1.2 Briefing Note Page 5 / Council Supplement Report Page 107, Paragraph 3**

It is interesting to note that the council are now referring to payments as disturbance payment, when this has previously been referred to as hardship or disruption, and even compensation (although this is a term that WSTG had been asked to avoid using.)

WSTG have presented a solution to proving auditable evidence of losses through using data from a date timeframe that includes that collected by SCA Consultancy (to ensure that monies from public funds can be used in the ways necessary (see paragraph 5 above in response) yet shows a **more realistic view** of losses incurred by businesses during the works. This was clearly stated in the correspondence that this note is responding to yet has **again** been ignored as a viable option.

The wider business support package has been mentioned numerous times, yet WSTG have not received any detailed information about this. In fact, the only reference to wider business support was in the letter sent from the council informing traders of the opening of the grant scheme (see Page 55/Appx 7. of council supplement report)



## 2. Wider business support on offer

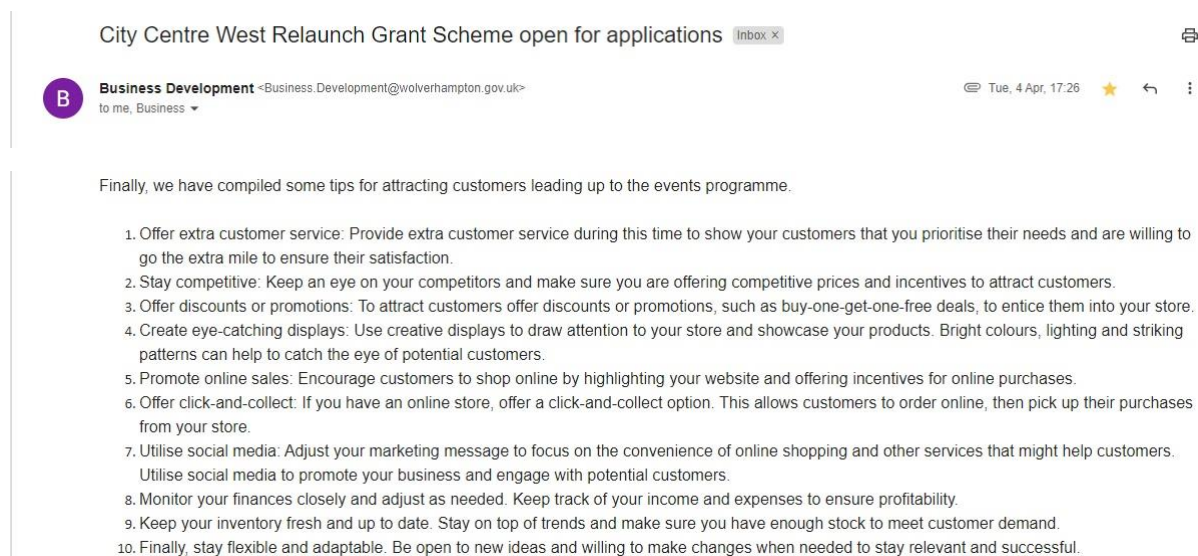
The Wolverhampton Employer Support (WES) team can provide direct and indirect help. For more information go to: <https://www.wolverhampton.gov.uk/business/wolverhampton-employer-support>.

You can also email the team at [business.development@wolverhampton.gov.uk](mailto:business.development@wolverhampton.gov.uk), call on 01902 555572 or visit iGNITE, the city business hub in i10 by the station.

We are also in active discussions with our colleagues at the Federation of Small Businesses (FSB) to see how they may also be able to offer support to traders.

*\* Cropped from Council Supplement Report Page 55*

Businesses were also offered “tips” by the council to attract customers in the lead up to events in the body of emails received by traders on 4<sup>th</sup> April, again announcing the opening of the scheme:



The screenshot shows an email interface. The subject line is "City Centre West Relaunch Grant Scheme open for applications" with an "Inbox x" indicator. The sender is "Business Development" with the email address "Business.Development@wolverhampton.gov.uk". The recipient is "me, Business". The date and time are "Tue, 4 Apr, 17:26". The email body contains a list of 10 tips for attracting customers leading up to the events programme.

City Centre West Relaunch Grant Scheme open for applications Inbox x

**B** Business Development <Business.Development@wolverhampton.gov.uk>  
to me, Business

Tue, 4 Apr, 17:26

Finally, we have compiled some tips for attracting customers leading up to the events programme.

1. Offer extra customer service: Provide extra customer service during this time to show your customers that you prioritise their needs and are willing to go the extra mile to ensure their satisfaction.
2. Stay competitive: Keep an eye on your competitors and make sure you are offering competitive prices and incentives to attract customers.
3. Offer discounts or promotions: To attract customers offer discounts or promotions, such as buy-one-get-one-free deals, to entice them into your store.
4. Create eye-catching displays: Use creative displays to draw attention to your store and showcase your products. Bright colours, lighting and striking patterns can help to catch the eye of potential customers.
5. Promote online sales: Encourage customers to shop online by highlighting your website and offering incentives for online purchases.
6. Offer click-and-collect: If you have an online store, offer a click-and-collect option. This allows customers to order online, then pick up their purchases from your store.
7. Utilise social media: Adjust your marketing message to focus on the convenience of online shopping and other services that might help customers. Utilise social media to promote your business and engage with potential customers.
8. Monitor your finances closely and adjust as needed. Keep track of your income and expenses to ensure profitability.
9. Keep your inventory fresh and up to date. Stay on top of trends and make sure you have enough stock to meet customer demand.
10. Finally, stay flexible and adaptable. Be open to new ideas and willing to make changes when needed to stay relevant and successful.

The reference to the council having considered a number of support options with traders is misleading.

- SCA Consultancy work was never completed in terms of the health check and subsequent support: businesses received general advice regarding marketing that in some cases was wholly inappropriate.
- Options presented to council in November by members of the WSTG Subgroup in response to inconsistencies and errors in SCA's assessment process were not even considered as they were deemed to be a “material change” which was not and is still not the case.
- RSM were appointed to review SCA approach and provided one option that resulted in the council devising the Relaunch Grant and support package (see 4.1.4, councils response, paragraph 4)

What other support options, aside from the above have been considered and where are the details of these?

**4.1.3 Briefing Note Page 6 / Council Supplement Report Page 108 - Background**

**4.1.3 Point three**

*Businesses have been dealt with in a total demeaning, insulting and inconsiderate way*

**Response to Point 3**

The Council regrets that businesses feel this way, but both officers and Cabinet Members have tried their hardest to be responsive to traders concerns and have regularly organised and attended meetings with traders.

In supporting businesses, the Council has to balance this against its wider obligations and the legal duty to spend public funds responsibly and in an open, transparent and auditable way, backed by evidence to support funding support decisions.

The Council has put together a financial package of support totalling £400,000 – despite the fact that there is no legal responsibility for the council to provide any funding or make any direct support payments available in these circumstances. In other local authority areas with similar schemes, no financial support has been provided.

Meetings with traders occurred because of traders approaching the council, not because of any forethought from the council with regards to effects of the works in the area.

Paragraph 2 as shown above is a copy/paste of the last paragraph in 4.1.2

With all due respect, each authority encounters different set of circumstances and cannot be compared to Wolverhampton.

WSTG have encountered undeniable major issues with the roadworks and how they have been managed from outset, starting with no evidenced consultation that is provable with individual businesses.) Whilst generally there is no legal obligation to provide compensation. It is clear that during planning and management of the project, **no impact analysis was undertaken** to assess the potential impact of the roadworks on businesses and the area. **No contingency plans can be demonstrated** for potential funds to mitigate losses as no impact analysis undertaken. We are also aware that Councillor Simkins has raised this issue with other parties, including TownsFund.

City of Wolverhampton Council understandably want businesses to invest in the city, including independent businesses - and businesses will invest where established businesses have confidence in the council for support in situations where they require it (financial or otherwise.) The actions of Wolverhampton City Council regarding the public realm works, and subsequent responses to traders that have been affected has resulted in a feeling of general discontent and lack of confidence in the council with regards to supporting struggling businesses.

#### **4.1.4 Briefing Note Page 6 / Council Supplement Report Page 109**

##### **4.1.4 Point four**

*The least the council can do is to mitigate demonstrable businesses losses.*

##### **Councils Response**

The Council has always acknowledged the impact the works may have had on traders and has committed to providing support.

Working with the traders, we have considered a number of support options with them. This included the option for a very rigorous and robust evidence-based financial assessment as recommended by RSM. The other option proposed was a simpler grant scheme as part of a wider business support package.

In March 2023 traders unanimously voted for the latter option and a package of support totalling some £400,000 of tax-payers money was put in place to deliver this.

The very rigorous approach recommended by independent financial consultants RSM, if implemented, may have taken years for businesses to complete (as in the case of Bilston Road) and the very robust criteria recommended for applications would have effectively excluded a significant number of traders from the process. That is why the Council, recognising the urgent need of traders, devised the Relaunch Grant and support package.

The other factor to consider, which was highlighted by Scrutiny Board members in the meeting on 14 March 2023 and would have had to have been factored into any detailed review, is that it is hard to quantify the impact of the works with other external factors such as cost of living, supply chain inflation, energy price increases and also changes to consumer behaviour, particularly following the pandemic.

Government statistics are available to allow the council to identify the level of external factors to consider when quantifying the loss to businesses due to the impact of the works. The council was presented with the idea of factoring to allow for this when WSTG met with John Roseblade and Isobel Woods with reference to failings in the assessment process used by SCA Consultancy.

WSTG worked within the specification that the Council had put into place (please see page 26 WSTG-Followup-Scrutiny2May23-Detailed-Log-1) until the council decided not to honour the change of date window that was suggested by WSTG, which would have clearly demonstrated more businesses having had losses and in addition, shown those that had already been identified as having demonstrable loss to have had significantly higher losses based on realistic data.

The focus for this work is to understand the impact on businesses as a result of the improvement works on and around Victoria Street and to offer business advice. In order to understand this it will be important to have a reasonable time period prior to the works to then compare during the period of the works. It is proposed that financial information will be looked at for the 6 months period prior to the works, and then from the start of the works to the current time.

- o Financial Evaluation of the business – for the period June 2021 - 22 November 2021 , then December 2021 - up to current date
  - Profit and Loss Statement
  - Balance Sheet
  - Liquidity Ratio
  - Working capital

*\* Cropped from page 26 WSTG-Followup-Scrutiny2May23-Detailed-Log-1*

The Council ignored that it was documented in minutes that change to the date window **WOULD NOT BE A MATERIAL CHANGE** and there would be **no legal implications** if such a change was implemented.

(Please see page 195 of Council Supplement Report/ page 51 of paper trail for scrutiny concerns)

With reference to support options, please see the above response to Briefing Note 4.1.2

#### **4.1.5 Briefing Note Page 7 / Council Supplement Report Page 109**

##### **4.1.5 Point 5**

*The actual calculated loss of the health check was never paid to the business. Is this not a legal agreement as it was provable demonstration of loss that has been validated through the financial health check?*

##### **Response to Point 5**

There is no legal responsibility for the council to make any payment, but we have said we are committed to providing support to businesses.

The Council never agreed to cover losses or provide compensation for losses. It agreed to work with traders to develop a fair, transparent and evidence-based approach to calculating losses and then to develop an appropriate and proportionate financial support scheme for those that could clearly evidence loss. After only a fraction of businesses evidenced loss under the first scheme, the Council listened to trader's feedback and brought in independent consultants to advise on a much more rigorous, auditable and evidence-based approach.

The Council put this more rigorous option, along with an alternative option for a simpler, more inclusive grant scheme to businesses for feedback. In May 2023 traders unanimously voted for the latter option and a package of support totalling some £400,000 of tax-payers money was put in place to deliver this.

Please refer to Page 52 of WSTG paper trail presentation dated 9<sup>th</sup> June 2022, where council state that **financial hardship relief will be provided where loss of income is clearly demonstrated**. Why is this being retracted now? See below. It is clear Council are adjusting their position in rhetoric. This statement shows that WSTG was being misled if they had no intention of paying hardship relief.

business support programme

- Will be completed within 5 weeks.
- We will provide financial hardship relief where loss of income relative to the works is clearly demonstrated

*\* Cropped from page 52 paper trail for scrutiny*

For clarity, please also note that the correct date that traders voted was March 2023

**4.1.6 Briefing Note Page 7 / Council Supplement Report Page 110**

**4.1.6 Point 6**

*Do the council not have a fiduciary responsibility to businesses as they contribute to the public purse?*

**Response to Point 6**

There is no legal responsibility for the council to make any payment, but we have said we are committed to providing support to businesses.

In supporting businesses, the Council has to balance this against its wider obligations and the legal duty to spend public funds responsibly and in an open, transparent and auditable way, backed by evidence to support funding support decisions.

A total budget of £400,00 which included £350,000 for the Relight Grant Scheme was approved by cabinet in the urgent decision of 31 March 2023. This offered every eligible business a grant of £5,000. Cabinet agreed that this was a proportionate and appropriate amount and acknowledged it was part of a wider package of business support

Council's Response to Point 6 is a copy/paste of briefing note 4.1.5, paragraph 1, briefing note 4.1.2, paragraph 5 and briefing note 4.1.3 paragraph 2.

Please reference WSTG response to point 4.1.2 on pages 4-5 of this document regarding the wider package of business support.

For clarity, please note that this is a Relaunch Grant Scheme, not Relight Grant Scheme.

**4.1.7 Briefing Note Page 8 / Council Supplement Report Page 111**

**4.1.7 Point Seven**

*Hence the 5k relaunch should be offered together with a financial hardship relief*

**Councils Response**

Please see response to 4.1.6 above

The council has regularly shared information to the businesses and WSTG, on business rate hardship relief. Officers visiting businesses in the area have also provided details of the relief and included it in correspondence to business (appendix 7).

The council has repeatedly told WSTG that Business Rate Relief, including hardship relief would be streamlined and more accessible for traders to access, however, this is not the case.

Please see Appendix 3 to this document for details.

#### **4.1.8 Briefing Note Page 8 / Council Supplement Report Page 111**

##### **4.1.8 Point 8**

*Please note some long-standing businesses have already gone*

##### **Councils Response**

The council is sorry to see businesses close or move out of the area. Officers have had individual meetings with some of the businesses who shared a wide range of factors that were contributing to the business either moving, changing ownership or in some cases closing. Officers are aware of 8 businesses who have either relocated or closed and 5 new businesses who opened whilst the works have taken place, and a further three who have been taken on by new owners.

Scrutiny Board members highlighted in the meeting on 14 March 2023 that it was hard to quantify the impact of the works with other external factors such as cost of living, supply chain, energy and also changes to consumer behaviour.

This is the first time the council has issued any sort of apology and the sentiment is appreciated; however, it is the case with certain businesses that the public realm works are the main reason for closure/relocation, and this could have been avoided had the council had a fair and appropriate package of financial support available for businesses to access throughout the scheme. Businesses that have opened during the scheme are most welcomed by Westside, but WSTG's issues and concerns are particularly relevant for businesses who have suffered losses through the duration of the works. For further details, please refer to Page 111 of the report submitted by the council.

Please see WSTG briefing note 4.1.4 response above regarding quantifying the impact of the works.

#### **4.1.9 Briefing Note Page 8 / Council Supplement Report Page 108 - Background**

##### **4.1.9 Point 9**

*The way WSTG was given a directed choice by the council at a meeting held on 13 March*

##### **Response to Point 9**

At the meeting 13 March 2023 where the Portfolio member was present, officers presented two options for the Traders to consider.

Option 1 which came from the recommendations to the council from RSM of an intense and rigorous financial review would have required traders to submit detailed accounts and financial information – going back over multiple years – and to have met strict eligibility criteria to have been able to apply. This would then have had to have been verified and would have only been open to those who had a business prior to the works commencing.

Option 2, a one off grant for all businesses who could verify they were operational for a min of 6 months and intended to continue to trade in the area.

WSTG were asked to consider these options and provide views from businesses on the preferred approach.

In May 2023 traders unanimously voted for the latter option and a package of support totalling some £400,000 of tax-payers money was put in place to deliver this.

Please see above briefing note 3.1 and responses from WSTG.

#### **4.1.10 Briefing Note Page 9**

##### **4.1.10 Point 10**

*At the meeting the level of grant was not shared*

##### **Response to Point 10**

It was explained to traders that the Council's Cabinet would agree and approve funding for the preferred option.

In supporting businesses, the Council has to balance this against its wider obligations and the legal duty to spend public funds responsibly and in an open, transparent and auditable way, backed by evidence to support funding support decisions.

The level of grant on offer, along with the wider package of business support available, was communicated to businesses on 4 April 2023 (appendix 7). Officers visited business premises and emailed information to business owners in the area.

As of 5 June 2023, 37 businesses have applied to receive the grant which represents 66 % of those eligible to apply.

For clarity, please note that this is not included in the referred WSTG correspondence received by council on 5<sup>th</sup> June.

Paragraph 2 of council's response above is a copy/paste of briefing note 4.1.2 paragraph 5 and briefing note 4.1.3 paragraph 2.

Please refer to WSTG briefing note 4.1.2 on page 4-5 of this document with regards to wider business support.

The council have mentioned on various occasions that the Relaunch Grant Scheme is not and was not intended to be compensation or for loss or hardship.

 **Tim Johnson** <tim.johnson@wolverhampton.gov.uk> Thu, 13 Apr at 15:30 ☆  
To: des.duggal  
Cc: Labour Leaders Office, Richard Lawrence, Councillor Stephen Simkins, Ian Fegan (he/him), Councillor Steve Evans, John Roseblade, Isobel Woods, Councillor Paul Sweet, Councillor Ellis Turrell, Councillor Simon Bennett, Councillor Lynne Moran, cherry, jane.stevenson.mp@parliament.uk, mcfaddenp@parliament.uk, Councillor Wendy Thompson, Stuart Anderson, Councillor Sohail Khan, Councillor Jacqueline Sweetman, Martin Stevens Hide

Sensitivity: RESTRICTED

Dear WSTG

Thank you for your message that was received at 23:41 on the 6 April.

I want to reiterate the intention behind the relaunch grant scheme is to offer eligible businesses a one-off amount to relaunch their trading activities and seize upon the opportunities presented by the multi-million-pound investment in improved public realm and public spaces. It is not intended to recompense for loss or hardship.

It has been developed following consideration at Scrutiny Board on the 14 March and unanimous support from the traders to support the delivery of a one-off amount. The Council Cabinet decided

*\* Cropped from page 18 WSTG-Followup-Scrutiny2May23-Detailed-Log-1*


- I want to be clear again, that the Council has **no legal responsibility to provide support** in these circumstances and that the support we always intended to provide and, indeed are now providing through the grant scheme, is categorically not compensation and was never intended to be compensation

*\* Cropped from page 22 WSTG-Followup-Scrutiny2May23-Detailed-Log-1*

- The relaunch grant is not a U-turn. It is a pragmatic and swift solution to the issues raised by traders. It's backed by a significant £350,000 sum of tax-payers money and aims to provide fast support to traders. Again, I want to reiterate the intention behind the relaunch grant is to offer eligible businesses a one-off amount to relaunch their trading activities and seize upon the opportunities presented by the multi-million-pound investment in improved public realm and public spaces. It is not intended to recompense for loss or hardship.

*\* Cropped from page 22 WSTG-Followup-Scrutiny2May23-Detailed-Log-1*


Finally, we want to be clear again, that the Council has **no legal responsibility to provide support** in these circumstances and that the support we always intended to provide and, indeed are now providing through the grant scheme, is categorically not compensation and was never intended to be

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compensation. The rationale behind the relaunch grant is to offer eligible businesses a one-off amount to relaunch their trading activities and seize upon the opportunities presented by the multi-million-pound investment in improved public realm and public spaces. It is not intended to recompense for loss or hardship. If you require any support with the application, you can contact one of the Employer Support team by calling 01902 555572 or emailing

*\* Cropped from page 75/76 of Council Supplement Report*

In light of this fact, the percentage of businesses that have applied for this “new grant” is irrelevant to the main issues and concerns of WSTG which are, and always have been with reference to financial support payments to mitigate losses incurred by businesses affected by the public realm works.

This has always been the basis of WSTG discussion and communication with the council and is what has constantly been ignored and subsequently ‘morphed’ into the Relaunch Grant.

Again, WSTG would like to re-iterate that the Relaunch Grant should be offered alongside financial hardship relief. Please see Page 107-Page 111 of the council report for details.



#### **4.1.11 Briefing Note Page 9**

##### **4.1.11 Point 11**

*Request to meet with businesses was ignored, (email 16 March).*

##### **Response to Point 11**

On 15 March 2023, officers from the council individually visited all the businesses in the area to hand deliver the letter setting out the options and offering one-to-one support to discuss the options.

Where a business owner wasn't present or premises not open, officers shared the information via email with contact details. Regular visits and contacts have continued since 15 March with businesses who wish to speak to officers.

This resource intensive approach is far more direct and offers the businesses face to face personal assistance. This is felt to be a far more effective method of engagement than a large-scale meeting.

For clarity, please note that this is not included in the referred WSTG correspondence received by council on 5<sup>th</sup> June.

Please refer to the Relaunch Grant Presentation with regards WSTG issues and concerns regarding the meeting agreed by council officers as per Point 4.1.9

#### **4.1.12 Briefing Note Page 10**

##### **4.1.12 Point 12**

*Copy of RSM report request has been ignored*

##### **Response to Point 12**

At the meeting on the 13 March and in Scrutiny Board on 14 March 2023 officers explained that RSM report contained sensitive commercial information from the businesses in the area that it was not possible to make the documents public.

The findings and the recommendations from RSM to the council were captured in the presentation to the Traders and also Scrutiny Board.

The Council has made representations to RSM to release a redacted version of the report, however under the terms of the contract signed with RSM this has not been possible.

Traders agreed to share financial information that was initially collected by SCA Consultancy with RSM, with a **view to receiving a report of their findings** on the processes of the previous assessment.

WSTG minutes to meeting 5<sup>th</sup> Dec 2022

Commercially Sensitive

Cllr Simkins has asked for a council finance team to address see if there is a possibility to re-use of the spreadsheet template showing the new window as it is clear that there is a lack of understanding of the spreadsheet by senior members.

6. Isobel stated that an independent specialist company has been identified and is looking to be procured by council to review the processes, where failings, mismanagement, miscommunication etc has occurred between council and Westside businesses. Council have stated that they understand the urgency and John Roseblade confirmed it would be fast-tracked. **WSTG are concerned as unnecessary additional expenditure to prove their failings and negligence and further the delays in paying hardship relief.**

*\* Cropped from page 75/76 of Council Supplement Report*

WSTG are concerned that this information has not been fully presented and shared, not only in the interests of transparency, but also in terms of accountability and responsibility of the council when using public funds.

WSTG repeatedly requested Council minutes for 5<sup>th</sup> December 2022 as WSTG feel that this meeting was the turning point where Council's demeanour had changed towards WSTG. Cllr Simkins was brought back into the meetings. It was at this meeting that Cllr Simkins stated that he was somewhat surprised that with just over 10 days left of trading why barriers were still up, and he also wanted to understand Eurovia delays. The Council have inadvertently blamed traders for delay when this categorically was not the case, the issues were with Eurovia.

It is important to understand the chain of events and the change of tack the Council were going to now employ as they had been deliberating over 5 weeks since presentation 7<sup>th</sup> Nov to Isobel Woods and John Roseblade, where failings and admissions were made by Council. (Please see Page 17/18 of WSTG Document paper trail for scrutiny-concerns – 1Jun23) **Without being disrespectful, this became a damage limitation exercise for Council!**

See below the question and response that was posed to Andy Street at the Wolverhampton Business Forum 8<sup>th</sup> Dec – it is self-explanatory – we still have had no response (Paragraphs 5-7)

Over 20 businesses have demonstrated the new window and are appealing. **You as the council have the power to endorse and look at the sales turnover which is what was originally agreed.** It was quite clear that a simple activity has been over complicated for the mere reason that council's opinion showed some flaws in how businesses functioned. E.g. lacking proper accounts, marketing strategies. Independent businesses are not limited companies, that does not mean they should be treated differently. The health check was mis-sold to the business traders another reason why all these problems occurred.

We have traceability of our records; a lot of the council traceability is verbal words.

Businesses have proved losses. The council needs to stop changing the goal post because they don't want to pay businesses.

WSTG stated - Some sort of interim gesture needs to be given this side of Christmas especially where established businesses can show losses through vat returns or other means as they all take into consideration sales turnover. It is the simplest and most efficient way of dealing with the catastrophe occurring in westside and blighting the city as a whole.

**WSTG attended the Wolverhampton Business Forum 8<sup>th</sup> December at the "Meet the Mayor Andy Street" the question asked of Andy Street was...**

*"When capital programs are instigated by Councils, what consideration and accountability is there to ensure the correct necessary steps are taken to enable existing businesses to operate with minimal disruption. What consideration, contingency plans/ financial support is there for those businesses that are severely affected by the improvements such as roadworks"*

**Andy Street stated that there is an agreed PUBLIC POLICY where compensation is available in such circumstances. WHY HAS THE COUNCIL NOT MADE THIS AVAILABLE?**

Furthermore, WSTG were unaware of the sheer support from other businesses around the city and neighbouring towns such as Wednesfield. Many issues were raised with respect to the Wolverhampton city centre works.

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Page	Appendix	Notes	Listed As
1	-	Scrutiny Board 13/06/23 front sheet	-
3	-	Briefing Note 13/06/23	-
4	-	Activities and Appendices listing	-
5	-	Responses to points raised by WSTG Traders in correspondence received 05/06/23	-
13	1	Minutes from Subgroup/Council meeting 13/03/23	13/03/23
15	2	Email body sending minutes to WSTG 17/03/23	13/03/23
17/19	3	Scrutiny front sheet (Pg 17) Presentation slides as shown to WSTG Subgroup at meeting on 13/03/23 and scrutiny on 14/03/23	14/03/23
39	4	Feedback on business support options letter dated 20/03/23	16/03/23
41	5	Summary of options/Outcome of options: responses. Not dated.  Query: City Council stated 7 responses received to business development email, all favouring option 2, however in the box marked 'Emailed City Council and voted for option 2 it says there were 3 votes. What happened to the other 4?	22/03/23
43	6	Urgent Decision - not dated - headed Special Urgent Decision (Contains an Appx. 1: Scope of Support etc Pg 52-53)	31/03/23
55	7	Letter to businesses regarding opening of grant scheme dated 03/04/23. Contains Appx 1: Scope of Support etc as sent with letter	04/04/23
59	8	Email body of letter to businesses as per Appx 7 dated 03/04/23	04/04/23
61	9	Letter objecting to grant award from WSTG email dated 04/04/23 headed Urgent Attention  no enclosures added, although 5 listed: 1. Original Document WSTG Minutes 2. Subgroup/Council Meeting minutes 09/05/22 3. Statement of Fact dated 25/05/22 4. Briefing Note 15/02/23 5. Response to Briefing Note (Enc 4)	06/04/23
65	10	Email body of attached letter above	06/04/23
67	11	Chief Executive response to email (No enclosures copied in though states 3) dated 21/04/23.	21/04/23
70		Chief Executive response to email WSTG 06/04/23 - no copy of email as reference  2 sets of email responses from Tim Johnson to WSTG - 1 dated 21/04/23 as response to email dated 13/04/23 re-sent on 19/04/23. - 1 not dated but is a response to email from WSTG dated 06/04/23 - No emails included for reference.	

-	-	Blank date on list - Engagement and business visits to businesses in the area - No date, no documents Relevance?	-
<b>75</b>	12	Letter dated 28/04/23 confirming deadline extension to 31/05/23	28/04/23
<b>77</b>	13	Scrutiny Board 02/05/23 Emergency Scrutiny Board Meeting Inc. Briefing Note 27/03/23 and Special Urgent Decision (full copy Appx 1 as per Appx 6 (Pg 43))	02/05/23
<b>97</b>	14	Minutes from Scrutiny 02/05/23 - full copy	02/05/23
<b>103</b>	15	Marked as extension of closing date to 30/06/23. Cabinet Decision 1. Dog Control (Pg 103) 2. Relaunch Grant (Pg 104) 3. Exclusion of Press & Public (Pg 105) 4. Childrens Social Care Reform (Pg 106)  Nothing mentioned about the date extension. The date on page 104 is 25/05/23	No date
<b>107</b>	16	Response from WSTG to Newly Elected Scrutiny Panel	
<b>113</b>		Detailed Log (31 pages)	
<b>145</b>		Email Correspondence (51 pages) - no reference	
<b>203</b>		Meeting Minutes Equinox 07/04/22	
<b>211</b>		Subgroup/Council Meeting Minutes 09/05/22	
<b>213</b>		Statement of Fact 25/05/22	
<b>215</b>		Briefing Note 15/02/23	
<b>221</b>		Enc 5 Response to Briefing Note 15/02/23	
<b>223</b>		Presentation by Nico Chitsa 31/10/22	
<b>239</b>		Slides from Update 28/06/22	
<b>257</b>		Subgroup/Council Meeting Minutes 05/12/22	
<b>263</b>		Scrutiny Board 02/05/23	
<b>265</b>		Briefing Note 27/04/23 Richard Lawrence with Appx Special Urgent Decision (Full Copy as per Appx 6 Pg 43)	
<b>283</b>		WSTG Response to Briefing Note 27/04/23 as presented at Scrutiny Panel 02/05/23 by Bilvir Chander-Kumar  <b>END OF REPORT</b>	

## Westside Traders - Update on actions from meeting 5th Dec

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From: Marianne Page (marianne.page@wolverhampton.gov.uk)  
To: westsidetradersgroup@yahoo.com  
Cc: oliver.bhurrut@wolverhampton.gov.uk; john.roseblade@wolverhampton.gov.uk; ruth.taylor@wolverhampton.gov.uk;  
mark.nicholls@wolverhampton.gov.uk; ian.hipkiss@wolverhampton.gov.uk  
Date: Wednesday, 7 December 2022 at 16:37 GMT

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Sensitivity: NOT PROTECTIVELY MARKED

Hi Billy and Des,

I hope you are both well. As agreed at the meeting on Monday, I said I would get an update out on what we are able to do to action the specific requests for the works area pre-Christmas:

- Street Lights and Christmas Lights: The 2 missing street lights are now in and connected, and you should hopefully see that Christmas Decorations are now up around the works area.
- Opening additional pedestrian routes / space before Christmas: We have worked with the contractors and taken on board the suggestion particularly around opening up a route through the Bell Square space. The attached plan shows the new arrangements for the next few weeks on the run up to Christmas, with as much pavement space and barrier removal as possible achieved. An update will be issued by Meg to all of the Traders in the area to let them know about the changes, and what that will mean in relation to any works planned outside of businesses.
- Bell Square area: The contractors have been asked to ensure they and sub-contractors do not leave unnecessary vehicles in any of the work areas, specifically not in locations which might detract from views through the area for the public.

If there are any issues, or you have any questions on the above then please don't hesitate to come back to me.

Thanks  
Marianne

Marianne Page  
Service Manager – Transport Strategy  
Mob: 07392 137574

E-mail: [Marianne.Page@wolverhampton.gov.uk](mailto:Marianne.Page@wolverhampton.gov.uk)  
City of Wolverhampton Council

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Business Rates Relief and Hardship/Discretionary rate relief has been raised with the council on numerous occasions.

A request to streamline the application process for relief has been in place with the council since June 2022.

		the advisor once appointed to agree a reasonable set of financial documents			
06.06.22		Check the tender to ensure that comparison periods can be changed easily without retendering and check with legal. - <b>checked and this is ok</b>	IW	<b>completed</b>	Action on track
		Traders to be informed of appointed Independent Financial Adviser	IW	<b>14 June</b>	
06/06/22		Traders to help businesses in the area to be aware of the Financial Health check being undertaken by the Business Advisor, and the relevant financial paperwork	Traders		
06.06.22		Agree common understanding of what we are trying to achieve in terms of supporting increased footfall in the area.	ALL	<b>28 June</b>	Action on track
06.06.22		Review business rates hardship application process/form for rate relief and whether the current form is minimum requirement under law or can be streamlined.	TR	<b>14 June</b>	Action on track

*\* Taken from Council/Subgroup Action Points Sheet June 2022*

In the traders action issues update sheet from June 2022 the Council stated that the process could be fast tracked, but the application process remained the same.

### **Business Rates relief update...**

- Will be fast-tracked directly by council – avoiding Valuation Office process
- Please submit an application for hardship rate relief, demonstrating loss of trade or business during the period
- Applications will be considered on an individual basis and traders can apply up to 100% of the net business rates payable for the time period of the works
- On receipt of applications, team will fast track and turn around within two weeks
- Traders can apply via [Hardship Relief | City Of Wolverhampton Council](#)

*\* Taken from Westside traders actions issues update June 22 Powerpoint Presentation*

In the action points sheet from August 2022 the Council stated that the process could be streamlined as well as fast-tracked, however, no documentation was ever received by WSTG in respect of this outcome.

06/06/22	Independent Financial Adviser Traders to help businesses in the area to be aware of the Financial Health check being undertaken by the Business Advisor, and the relevant financial paperwork	A <u>well attended</u> meeting was held 20.06.22 supported by traders. <b>Group to inform all traders through social media that the deadline for submitting financial information to the Advisor is 29 July</b>	Traders	29 July	Action on track
06.06.22	Agree common understanding of what we are trying to achieve in terms of supporting increased footfall in the area		ALL	28 June	Completed
06.06.22	Review business rates hardship application process/form for rate relief and whether the current form is minimum requirement under law or can be streamlined.	Can be streamlined and fast tracked directly by Council – avoiding Valuation office process. Team are working with the business advisor to look at using the information collected from the Health Check as a way of demonstrating loss during this time and simplify the process.	Tracey Richards	14 June	Complete
<del>06.06.22</del>	<del>Traders to send formal requests to the Bid for the Bid Board to consider bid levy relief (Cllr Simkins declared an interest at this point as member of the bid board).</del>	<del><b>BID Director confirmed that a letter had been received from the traders. Conversations to be undertaken outside the meeting regarding individual levy relief payments.</b></del>	<del>Traders BID</del>	<del>20 August</del>	<del>Action on track</del>

*\* Taken from Council/Subgroup Action Points Sheet August 2022*

**As of June 2023, the Discretionary/Hardship Business Relief policy remains unchanged on the Council website. No documentation has been received by WSTG outlining the streamline process and the application process remains robust and invasive. It is documented below for reference**



# **Wolverhampton City Council**

## **Business Rates Discretionary Relief (Hardship) Policy**

- 1 Introduction**
- 2 Purpose and principles of the policy**
- 3 Requirements for Applications**
- 4 Decision Making Framework**
- 5 Duration of Awards**
- 6 State Aid**
- 7 Review process**

### **1. Introduction**

1.1. This policy sets out the circumstances in which reductions in rate liability will be granted due to part occupation.

1.2. Section 49 of the Local Government Finance Act 1988 provides councils with discretion to grant rate relief where a business is suffering hardship.

1.3. The amount of any relief awarded can reduce or remit the full business rates charge on both occupied and unoccupied properties.

### **2. Purpose and principles of the policy**

2.1. The purpose of this policy is to

- Ensure that all applications are treated in a fair, consistent and equal manner.
- Set a framework for how ratepayers can apply for this relief.
- Make clear the limited criteria under which relief will be awarded.

- Set out the delegated authority for dealing with applications.
- 2.2. Each application will be considered on its individual merit but in making a decision on the award the decision maker will give due consideration to the requirements of the Policy Framework.
- 2.3. This policy has been written in line with Government guidance.

### **3. Requirements for Applications**

- 3.1. Applications will only be considered where a written application is received from the ratepayer, or where the ratepayer is an organisation, a person properly authorised to make an application on behalf of the organisation.
- 3.2. Applications must provide relevant information to demonstrate the loss of trade or business to include the following:
- audited accounts for at least 3 years and cash flow forecast (in the case of a new business an estimate of annual income/expenditure by the Director/bookkeeper/accountant
  - in the cases of sole traders/partnerships, details of drawings from the business and a breakdown of personal income and expenditure
  - details of steps that have been/are being taken in an attempt to keep the company sustainable
  - a business plan
  - details of the number of employees prior the problems experienced and current number of employees
  - details of any relationships with any other businesses, particularly with local suppliers
  - details of any benefits provided by the business to the elderly, young or any other disadvantaged group
  - any other information which may support the application
  - contact details of the relevant officer
  - a signed declaration setting out any amount of State Aid received within the preceding three years
- 3.3. The Council will request any supporting evidence it considers necessary to properly assess the merits of the application.
- 3.4. Ratepayers must continue to pay any amount of rates that fall due whilst an application is under consideration.

#### **4. Decision Making Framework**

4.1. Relief will only be granted in exceptional circumstances giving consideration to the following:

- the ratepayer would sustain hardship if relief is not applied
- it is reasonable for the Council to grant relief having considered the interests of its council tax payers

4.2. When considering an application for relief the following factors will be taken into account:

- whether the granting of relief will help the business through a temporary difficulty
- the effect on local businesses, employment and the residents of Wolverhampton
- whether the business is the only one of its kind in the vicinity and it is in the interests of the community to grant relief
- whether the current hardship (financial or otherwise) could have been foreseen and avoided

#### **5. Duration of Awards**

5.1. The amount of relief granted may be for a fixed sum or be equivalent to a period of charge. Whilst each application will be considered on its own merits, it is unlikely that any relief will be granted for more than the current financial year.

5.2. The ratepayer will be notified of the decision in writing.

5.3. Ratepayers are required to notify the Council immediately of any change in circumstances that may affect their entitlement to relief.

#### **6. State Aid**

6.1. Relief will not be awarded in any circumstances where it appears that an award will result in the ratepayer receiving state aid that is above the current de minimis level. Each application must be accompanied by a statement signed by the appropriate person representing the business setting out the amount of state aid, including but not limited to discretionary rate relief, which the ratepayer has received within the previous three years. Applications will not be considered until this statement is received.

#### **7. Review Process**

- 7.1. There is no statutory right of appeal against a decision made by the Council regarding discretionary rate relief. However, the Council recognises that ratepayers should be entitled to have a decision reviewed if they are dissatisfied with the outcome.
- 7.2. The council will accept a written request for a review of its decision. The request should include the reasons for requesting a review and any supporting information.
- 7.3. A request for review must be made within one calendar month of the date of the decision letter.
- 7.4. Reviews will be considered by an officer independent of the original decision maker.
- 7.5. The letter notifying of the outcome of an application for relief will include instructions on how to request a review and the address where any request for review should be sent
- 7.6. The applicant will be notified of the outcome of the review in writing.
- 7.7. This review process does not affect a ratepayer's legal right to seek leave to challenge a decision by way of Judicial Review.

# Presentation to Wolverhampton Council's Scrutiny Panel – Relaunch Evidence 13<sup>th</sup> June 2023

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## Westside Traders Sub-Group

Prepared on behalf of WSTG

# Impact of the Roadworks on Businesses & Hardship in relation to Relaunch

# Background Evidence

The evidence provided to scrutiny demonstrated the issue with Relaunch is that it is not a replacement for the Financial Hardship businesses suffered in Westside. Contributing factors:-

- Lack of proper formal consultation with Westside businesses
- Lack of impact analysis
- Oversights of Council
- Inconsistencies in presentation of information to WSTG & other significant council groups

# Economy & Growth Scrutiny 28<sup>th</sup> Sept. 2022

- Point 6 refers to City Public Realm Works. 3rd Para. The Temporary Director of City Housing and Environment “..... When works were about to start the City was still in Covid lockdown and some of the messages and leaflets couldn't be sure had been received and read.” Statement was subsequently contradicted by Director of Housing at Economy & Growth Scrutiny meeting 15<sup>th</sup> Feb 2023, stating full consultation had taken place. WSTG businesses concur with not having any form of consultation. This is also confirmed by some landlords who were unaware of the extent of works & impact on renting properties.
- WSTG gave opportunity to SCA Management to address businesses on how to complete financial health check spreadsheet. This was not done, causing confusion/errors.
- Panel member asked “...He asked why an independent advisor had been employed after the traders had complained because it could have been foreseen there would be problems. He asked if an impact study had been completed before the works commenced. Six months into the works, traders were still struggling and he believed they had not yet received any compensation from the Council for profits lost.” The Temporary Director of City Housing and Environment responded “..There was a liaison Officer employed, but it was true that they had not foreseen the extent of the impact on the traders.”. So why are the council still not accepting financial hardship relief for businesses as being justifiable?



# Economy & Growth Scrutiny 28<sup>th</sup> Sept. 2022

- The Head of Enterprise acknowledged that a lesson had been learnt on the extent of liaison required with traders for the Public Realm project. Strong robust data and analysis was required on any **level of compensation and support to be awarded to businesses**. The businesses advisor was able to give impartial independent advice to the Council. Any compensation payments needed to go through the correct governance process of the Council. Reference clearly made to “compensation”. SCA feedback not shared with WSTG.
- Members asked for a report on the **compensation and support package** being offered to businesses in the area of the public realm works to be brought back to the Panel when there was a clearer picture. It is unclear if this was done.
- **Resolved:** That the Panel receives a report on the **compensation and support package** being offered to businesses within the area of the public realm works, when it is clearer as to what is to be offered. When and how was this resolved as WSTG have no sight of this.
- **Evidence clearly shows from the Feb.15th Economy meeting council admissions of not having foresight of impact. Ref: Enc11-Scrutiny-GrowthResourcePanel clearly documents it.**
- **Resolved:** That a report be brought to the Panel at an appropriate time regarding funding the Council would receive in the future to support businesses more generally across the City. How, what & when will this be communicated to businesses?

# Resulting Impacts of the roadworks

- Lack of Cash flow. Some businesses have had to take money from savings and borrow from family to keep the businesses running.
- Many businesses experienced being in arrears with some bills, rent. Before roadworks, bills on time but road works disruption made it extremely difficult.
- Businesses requesting suppliers for Extended creditor days.
- Falling margins. At times reducing prices to attract the few customers that can make it through the roadworks barriers
- Big loss of footfall has led to a steep decline in some business trader's revenue.
- Drastic reduction in footfall further exacerbates retail recovery post covid due to the roadworks and not been given opportunity to plan.
- Low staff morale, loss of jobs, insecurities about employment.
- Working longer hours and more days just to make ends meet.
- Mental Health impact on business owners, their families and staff.

# Examples of disruptions caused

As many of you may not have seen the full extent of what businesses and customers faced for over 17months.

# Examples of road + pavement disruptions and blockages on Westside businesses in 2022

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# Examples of road + pavement disruptions and blockages on Westside businesses in 2022

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# Examples of road + pavement disruptions and blockages on Westside businesses in 2022

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# Examples of road + pavement disruptions and blockages on Westside businesses in 2022



# Council, SCA Management & RSM

Council gathered intelligence from traders only then to use it to cover up their mistakes. Prime example here is SCA Management - who have almost disappeared from council documentation and the impression of RSM has been portrayed in rhetoric to have always been there. Many months of work was now being ignored as opposed to reworked.

At Traders & Council meeting October 2022 Cllr Simkins asked for WSTG to meet with John Roseblade and Isobel Woods to discuss issues with spreadsheet. Mtg held 7<sup>th</sup> Nov. WSTG established following areas of concern:-

1 Exposure of their lack of foresight and poor management of the whole situation as failings were highlighted. Admission of no auditing by Head of Enterprise. Solution given with all data together with 20 businesses sending updated information reflecting extended 3month window. This was reflective of “real data” as we had figures.

2. Hardship relief payout to businesses would be much more than Council first expected. Even SCA Management could see this.

3. WSTG demonstrated they were acting within the agreement of minuted action **approved by Council legal team.**

Ref. WSTG Document- paper trail - Pg 51 by proposing a shift in the window **would not be a material change.**

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ACTION SHEET				
Item	Action	Owners of actions	Deadline Date	
	Review the proposed comparison period of financial hardship calculations to ensure a fair and equitable approach. Working with the advisor once appointed to agree a reasonable set of financial documents	Isobel Woods	14 June	A
	Check the tender to ensure that comparison periods can be changed easily without retendering and check with legal. - <b>checked and this is ok</b>	Isobel Woods	completed	A
	Traders to be informed of appointed Independent Financial Adviser	Isobel Woods	14 June	
	Traders to help businesses in the area to be aware of the	Traders		



# Council, SCA Management & RSM

**Benefit of Shifting the window by 3 months** : This was a solution to resolve Council issues/failings highlighted in their management of processes. Council had refused WSTG suggestion to using financial accounts pre-covid 2018/2019. (Yet now they are stating that RSM are suggesting it.)

3.1 The 3month window would resolve concerns traders raised to Council over financial health check and would make use of real data would be used in the council approved spreadsheet.

3.2 Realistic window would give "real impact" view of the roadworks on businesses. WSTG suggested this would help Council going forward to other phases/projects.

3.3 Because of how long it had taken to get to this point (Oct) WSTG felt it beneficial for all parties to use real data for assessment of impact of works.

3.4 Government statistics were also available to use.(see later slides)

3.5 WSTG accepted mitigation of losses would be minus government statistics as people's shopping habits changed.

3.6 Council throughout whole process, knowingly made it clear to WSTG that hardship relief/compensation would be **given on provable losses**. WSTG have demonstrated this. If this was not the case. **Then why waste WSTG businesses time and public purse money if they were only going to offer a Relaunch grant scheme similar to Relight scheme.**

# SCA vs WSTG Window of Assessment of losses

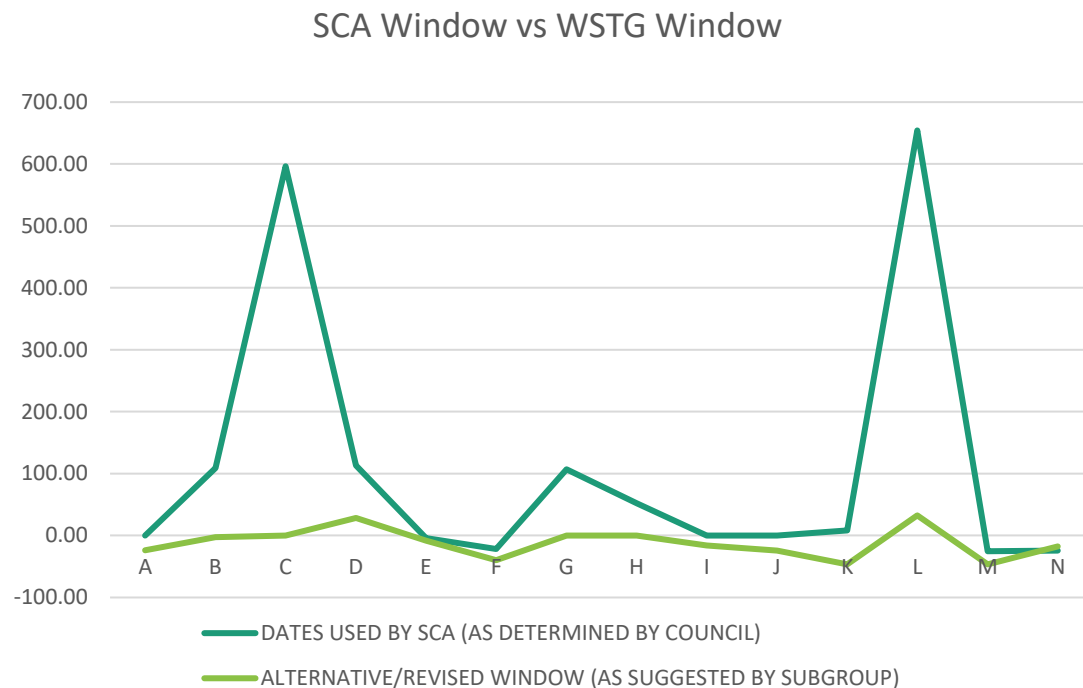
<u>BUSINESS SAMPLED</u>	<u>DATES USED BY SCA (AS DETERMINED BY COUNCIL)</u>	<u>ALTERNATIVE/REVISED WINDOW (AS SUGGESTED BY SUBGROUP)</u>
	JAN 2021 - SEPT 2021	APR 2021- DEC 2021
	OCT 2021 - JUN 2022	JAN 2022 - SEPT 2022
A	11.10% (GROWTH)	-23.78 % (LOSS)
B	109% (GROWTH)	-2.91% (LOSS)
C	596% (GROWTH)	81.8% (GROWTH)
D	113.03% (GROWTH)	28.12% (GROWTH)
E	-4.16% (LOSS)	-8.34% (LOSS)
F	-22% (LOSS)	-40% (LOSS)
G	107% (GROWTH)	22.5% (GROWTH)
H	52% (GROWTH)	13.9% (GROWTH)
I	47.4% (GROWTH)	-16.41% (LOSS)
J	-9.3% (LOSS)	-24.3% (LOSS)
K	8% (GROWTH)	-46.55% (LOSS)
L	654% (GROWTH)	32.09% (GROWTH)
M	-25.6% (LOSS)	-46.76% (LOSS)
N	-24.29% (LOSS)	-18% (LOSS)

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- WSTG vehemently disagrees with the initial window of assessment of losses as the majority of businesses were still under lockdown until mid April 2021
- The window used by SCA comparison did not give a reflection of reality.
- Confusion over whether covid grants were to be included or not
- The table shows the alternative window demonstrating a more realistic picture.

# SCA Window vs WSTG Window

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- Businesses have suffered losses, due to the loss in footfall as a consequence of roadworks - a major contributing factor.
- The windows used by SCA does not reflect reality as shown by the blue line graph. The spikes are anomalies.

# Macro-economic data

WTSG looked at Macro-economic data to determine the **'business opportunities lost'** due to the road works.

## Facts and Figures;

**Slide 17**: ONS data shows economy **grew by 4.1% in 2022**

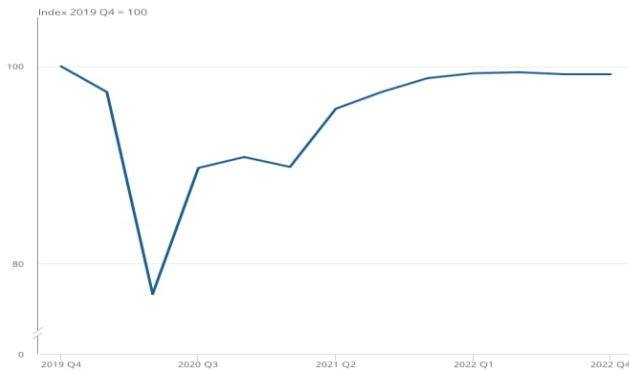
**Slide 18**: ONS data shows that private consumption went **up by 9.1% in 2022, when compared with Q4 2021.**

**Slide 19**: Demand for **high Street services/products still exists.** Some services cannot be offered online.

Westside businesses have missed out on all these growth opportunities due to the roadworks.

# ONS Data Shows Growth in 2022

Figure 1: Real GDP is estimated to have been broadly flat in Quarter 4 (Oct to Dec) 2022  
UK, Quarter 4 (Oct to Dec) 2019 to Quarter 4 2022



Source: Office for National Statistics – GDP first quarterly estimate



Q All News Images Videos Maps More Tools

About 369,000,000 results (0.54 seconds)

For 2022 as a whole, UK GDP growth was 4.1%. This figure compares GDP in all of 2022, with all of 2021. The relatively strong rate of growth in 2022 is mostly a result of the continued recovery from pandemic-related weakness in early 2021. (GDP growth over the course of 2022 in the UK was essentially flat.) 12 May 2023



UK Parliament  
<https://commonslibrary.parliament.uk/research-briefings/>

GDP - International Comparisons: Key Economic Indicators

- ONS Data shows that the economy grew by 4.1% in 2022.
- The 'Real GDP' graph shows that the UK economy has recovered from its pre-pandemic slump.
- Westside businesses have missed out on this Growth due to the Roadworks.

# Private Consumption Increased in 2022

20:34 83%

www.ons.gov.uk

## Private consumption

Within private consumption, there was a modest increase in real household expenditure of 0.1% in Quarter 4 2022, following a 0.4% contraction in the previous quarter, as real household incomes have been squeezed by higher inflation over the second half of 2022.

There were continued declines in household goods and services, food and non-alcoholic drink, and recreation and culture. In current price terms, household expenditure rose by 1.3% on the quarter, as recent inflationary pressures increased the nominal value of this spending. The implied price of household expenditure increased by 9.1% when compared with Quarter 4 2021.

Copy Select all Share Add to note

## Consumption of government goods and services

- ONS data shows that private consumption increased in 2022.
- Despite fears of a recession and the cost of living pressures, private consumption went up by 9.1% in 2022, when compared with Q4 2021.
- Westside businesses have missed out on this bounce back.

# Online vs High Street

- Most of the Westside traders provide face to face services/products.
- These include hairdressing, meditation, massaging, tanning, food, off-licences only to mention a few. Research by Pragmatix Advisory in late 2021 shows that new patterns of work have not affected these services.
- These services/products cannot be offered online, therefore the argument that customers have gone online does not hold water.
- After the roadworks, we can see that customers have not returned as expected.

# Quantifying Losses

Sufficient documentation has been presented to Scrutiny and Council to date, WSTG have suffered irrecoverable losses over and above what would be in normal public realm projects where disruption would be minimal, and businesses would still be able to operate in a conducive manner. This has not been the case here.

WSTG are asking for scrutiny to address Council in the mitigation of provable losses in these extenuating circumstances as a direct result of the roadworks and the poor planning and management.

Business losses can be categorized as

- 1) **\*Direct losses:\*** These are the costs incurred by businesses as a direct result of roadworks, such as lost sales, increased costs for employees to get to work, and damage to property.
- 2) **\*Indirect losses:\*** These are the costs incurred by businesses as a result of the disruption caused by roadworks, such as lost productivity, increased customer dissatisfaction, and a decline in the value of businesses located near roadworks.
- 3) **\*Intangible losses:\*** These are the costs that are difficult to quantify, such as the loss of goodwill and reputation, and the stress and anxiety experienced by employees and customers.

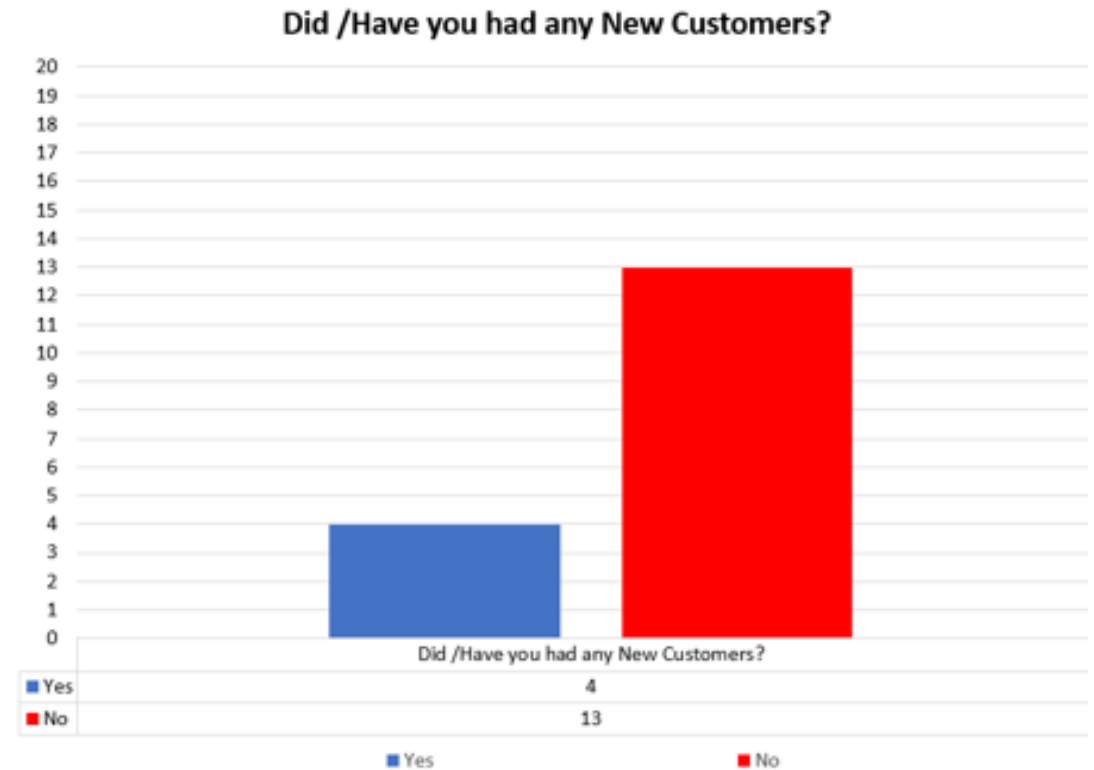
The length and severity are just two of factors.



# Post Pedestrianisation -1

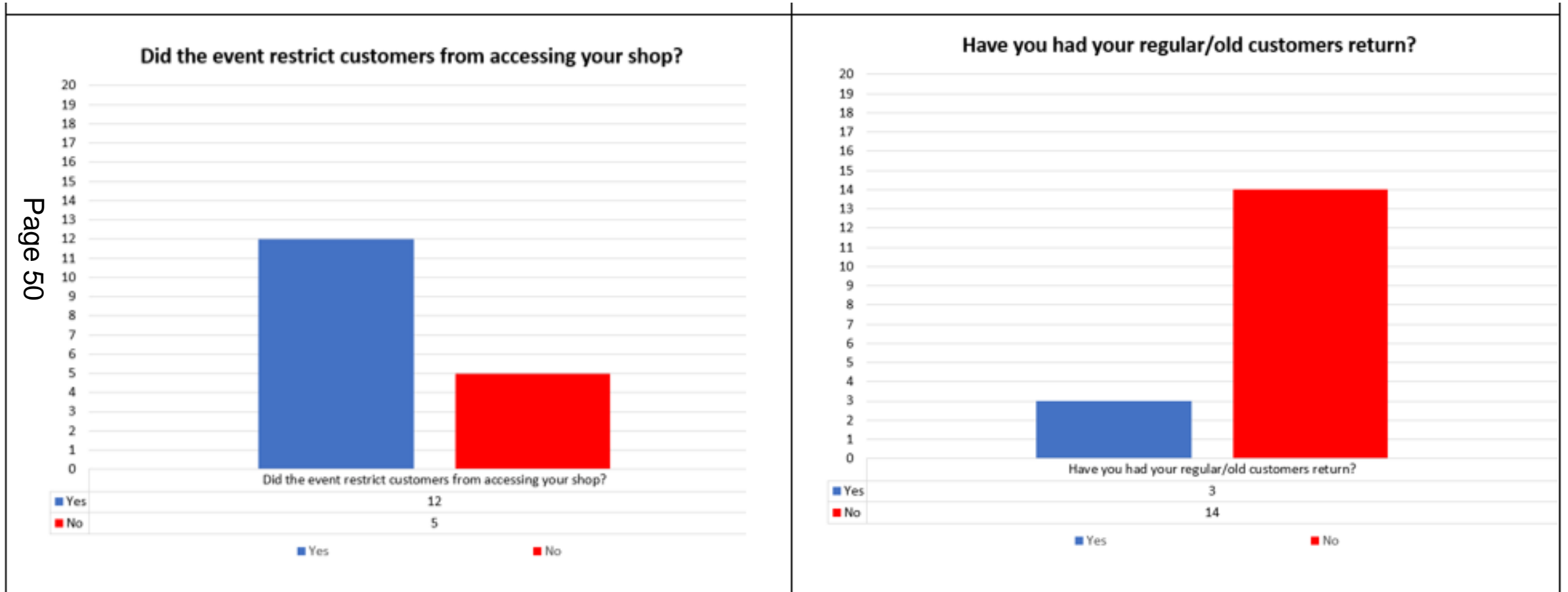
WSTG are grateful for the improvements to area however, this will not guarantee footfall returning immediately. 3 events have been held over May & June 2023, during which time the following data collected from businesses.

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# Post Pedestrianisation -2

WSTG are grateful for the improvements to area however, this will not guarantee footfall returning immediately. 3 events have been held since May 2023, during which time the following data collected from businesses.



# What do Westside businesses need?

# What we need?

- **Financial Support:** We need **both** the **Relaunch Grant** to help us go forward and a **Hardship Grant** to mitigate losses incurred during roadworks for businesses who are able to demonstrate losses. Fairness to those who have suffered extensively during the whole 17 months. As a minimum use SCA spreadsheet with revised window.
- **Advertising** to tell the public that Westside is now open and the pedestrianisation work is complete. A great many people who attended events were unaware of them.
- No further business closures in area.
- **Free parking** around for a period of at least 6 months, to boost footfall.
- **Long term plan** to hold **regular events** on Victoria Street to bring back the lost footfall Plans need to minimise disruption to existing businesses e.g. access to frontages.
- **Reduced impact of further development works** in and around area, i.e. box space
- **Copies** of the independent reports from SCA and RSM.

# Relaunch Grant Scheme

Presentation to Scrutiny Panel

13<sup>th</sup> June 2023

## Option two...

**Implement a more accessible, generic business support 'relaunch' grant based on less complicated key criteria**

# The Premise

- a “soft approach” in comparison to the alternative RSM assessment which would have involved a more robust and invasive methodology and process, as well as excluding the majority of businesses that have been impacted by the Public Realm Works.
- similar approach to Covid grants, with appropriate due diligence and checks to meet council audit and finance regulations and prevent fraudulent activity

# Consultation with Businesses

Minutes from the meeting on 13<sup>th</sup> March were received from the council but did not accurately reflect the discussions held. The timeline setting out the way forward was not received – it was discussed at the meeting on 13/03/2023 that WSTG Subgroup would be involved in the process moving forward.

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The meeting to discuss the application process and eligibility criteria/evidentiary requirements with the traders involved **did not take place**, and there was **no involvement of WSTG Subgroup** with regards to the Relaunch Grant after the meeting on 13<sup>th</sup> March

This is typical of the council's behaviour regarding lack of consultation with businesses. It was contended at a later date that giving businesses opportunities to discuss the scheme on an individual basis was adequate. Again, this shows a lack of understanding from the council with regards to communication from businesses. Some businesses do not wish to share information with council representatives but will share with subgroup representatives – **as is the purpose of the subgroup.**

# Harassment and Bullying Behaviour – rushing businesses to apply without proper consideration

When the scheme went ‘live’ on 3<sup>rd</sup> April 2023, businesses across the area began receiving calls from the council representatives asking when they were going to apply and offering assistance if they needed help applying.

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To date, some businesses have received over 4-5 calls from council representatives, and have commented that they felt like they “had to apply or they’d lose the chance,” that they “needed to get it over and done with” and that they “wanted to stop being hassled”

Businesses have also been told by council representatives that deadlines have not been extended and that they must apply by the end of May to be “sure of receiving funds” or so that they don’t “miss out”

This is not only misleading but is deliberately divisive in terms of what was communicated, not only at scrutiny panel on 2<sup>nd</sup> May, but also in terms of what WSTG Subgroup members has communicated to those it represents.



# The Application Process

The evidence required for the application process was initially simple:

4. Business will be required to provide their latest utility bills and also their latest bank statement to demonstrate that the business is open and actively trading, to accompany their signed grant agreement

Taken from Scrutiny Board Victoria Street Review and consideration Presentation - 140323

Then became more invasive:

Applicants must provide all of the following:

- Evidence of trading, for example recent monthly rental invoice, business insurance or monthly utility, telephone, internet invoice.
- Evidence of certificate of incorporation or unique tax reference number.
- Evidence of last accounts filed at Companies House or last tax return filed with HMRC.
- Evidence of business bank accounts which contains your business transactions.
- Evidence of one month's recent bank statements (redacted statements will not be accepted).
- Details of business bank account name, bank account number and bank sort code.

Taken from Appendix 1 of Letters Sent to Traders - Pg 57 of Council Supplement Report

# What do council need this information for?

The council have asked businesses to provide information

- full financial accounts or tax returns
- **unredacted** bank statements,
- evidence of payments to landlords for rent
- draft accounts for the current financial year

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Why is this additional information being asked for? How is such information **relevant** to the approval of a grant?

What is the information being used to ascertain, and where is the council's GDPR statement for disclosed information?

What is the criteria for this information to bring an approved status to a grant application?

Why is a financial credit check of companies/individuals necessary?

If a business was applying for a loan, then this level of evidence would be understandable, but why is it necessary to be this **invasive** for a grant application?

How is this approach similar to that taken by the Government with Covid? How is it 'soft touch'?

# Comparison of Evidentiary Requirements

## Covid 19 Grant Requirements

Saved Documents:

Date Uploaded	File Name
28/01/2022	bank2.jpg
28/01/2022	booker1221.jpg
28/01/2022	20210730_142821 (1).jpg
28/01/2022	driverslicenceid.JPG
28/01/2022	Statement 17-dec-21 ac 20749230.P

## Relaunch Grant Requirements

Saved Documents:

Date Uploaded	File Name
24/05/2023	Statement 19-apr-23 ac 20749230.P
14/05/2023	110423.pdf
14/05/2023	invoice501.jpeg
14/05/2023	regofficechange.pdf
14/05/2023	changeofname.pdf
14/05/2023	certificateofinc.pdf
14/05/2023	accountsfy2122.pdf
14/05/2023	Statement 17-mar-23 ac 20749230.F

# Crucial information?

Relaunch Grant Application - Further Information Required Inbox x



Tue, 16 May, 14:13 ★ ↶ ⋮



I hope this email finds you well. I am reaching out to inform you that we have requested additional information regarding your grant application. We kindly ask that you provide us with your bank statement and draft accounts as soon as possible. Please log on the portal and upload the requested documents. These documents are crucial in helping us make an informed decision regarding your application.

Thank you for your cooperation and prompt attention to this matter.

Best regards,

How is this information crucial to making decisions?

If it is crucial, when information was **not** submitted (in this case, draft financial accounts for Financial Year 22/23) why was the application approved and the grant awarded?

# Lack of Understanding and Communication

## **NO MEETINGS/LIAISON**

Had criteria, evidentiary requirements and their uses, and the approval processes been discussed with traders, either as a large group, or as was suggested at the meeting on the 13<sup>th</sup> March with the subgroup involved in the process and able to disseminate information to the wider trader's group (as had always previously been the case) these questions and issues would have been raised and responded to sooner.

## **NO RESPONSES TO FEEDBACK OF CONCERNS/QUESTIONS/ISSUES**

- WSTG have not received responses from the council to queries, comments, feedback and issues
- Feedback was sent to council on 23/03/2023 and presented verbally to scrutiny panel on 2<sup>nd</sup> May 2023 (please see Appendix 1)

**WSTG has still not received any responses**

**WSTG request that the above queries, and the feedback documented in the appendix be responded to and shared with scrutiny panel members.**

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### **Feedback, comments, and queries.**

- With regards to Option 2, referencing slide 15 of Scrutiny Board Victoria Street Review and consideration Presentation 140323

It states that the process will be minimised, and financial support would be available within weeks/months. Can we have, as soon as possible, a timescale for the process and a timescale as to period of wait between application, acceptance, and payment.

It states that the grant will be enhanced by a wider programme of support. What exactly does this include? Will the council offer no charges for local businesses to have stalls at events, or, at the very least, reduced rates on stalls for events? Can local traders get first refusal on stalls for said events? How is the council planning to increase footfall to the area - events cannot be held all the time - will the council offer support through advertising/promotions for businesses at little to no cost to businesses. Will council liaise with businesses with regards to possible attractions/events and accept suggestions? Is the council prepared to prioritise local businesses over that of the pop-ups that appear on stalls at events? What support will be available to businesses going forward?

- With regards to Option 2, referencing slide 16 of Scrutiny Board Victoria Street Review and consideration Presentation 140323

- 

As this process supersedes all previous exercises and is a “new” grant scheme, the previous “Initial Victoria St. Works Disruption Payments” given to several businesses, as a discretionary gesture (said businesses having clearly demonstrated a works-related financial loss) those businesses should not have monies awarded from a previous scheme deducted from this “relaunch grant,” if indeed that is what it is. It is also of note that letters sent to businesses on the 14<sup>th</sup> December 2022 categorically stated: “Given this ongoing review, we want to be clear that accepting this money will not affect your position should the council receive recommendations following the audit” - clearly, the council can change its options as and when necessary to fit its own rhetoric, and is misleading in its statements if the intention is that businesses will have monies deducted from any new sum payable through this new process.

It seems that the council are trying to distance from any responsibility and accountability of the effect of the works on businesses and setting any precedent for “hardship support” by changing the rhetoric and naming the process “relaunch” grant. Referring to this as such does not sit well with several traders. It also appears to be an attempt to make it seem as though the council is financially supporting businesses that are unable to survive due to conditions outside of the pedestrianisation project. A more accurate name would be “disruption grant” given the significant disruption caused by the works.

- With regards to the signing of a grant agreement there are several queries raised:

It states that the agreement “includes but is not limited to” the list presented. What are the other stipulations that traders must agree to? Not having a fully disclosed list of stipulations puts traders in

a difficult position for determining to agree to this option - again, traders should not be expected to make an informed decision when such information is omitted.

It states that "the payment is final and legally binding." It is important that the council considers that while the current works will soon be complete, that the commencement of the next phase of the project may still have an impact on the area. Will businesses that qualify for the "relaunch grant" be considered ineligible for any processes/grants for subsequent works that may have an adverse financial impact? Are businesses eligible to appeal the "relaunch grant" outcome if the need arises?

It states that any business rates arrears would be offset before any grant was paid over. This is a grant to reopen/relaunch with the aim of supporting businesses to continue to trade/remain viable. In some cases, businesses are only in rates arrears because of the loss of finances due to the impact of the roadworks, and this could have been avoided had support been provided by way of a business rates holiday or forgiveness of debt, something that was recently suggested at scrutiny board by Cllr Birch and has previously been mentioned in council meetings with the subgroup. Businesses should be able to budget any monies received from the relaunch grant as they deem appropriate.

It states, "commitment that intending to remain open for business at the current location for the foreseeable future." It should be recognised that some businesses are on month-to-month licences and not leases so this requirement is out of their hands should a landlord decide they have to leave their current premises. It should also be recognised that one of the reasons businesses have been asking for support from the Council due to financial losses caused by the works, is because of the desire to remain trading in the City Centre.

#### ***Additional Comments & Queries***

- Who will review the traders' feedback? Will it be the RSM or council members?
- Is the RSM still involved in the process, or has their work been completed?
- How will the council demonstrate that they are considering the traders' feedback in this process?
- Will the council respond to traders' requests for additional information before making final decisions? This is concerning as the deadline for feedback is 5pm on March 22nd, and a report will be presented to the Leader of the Council and Councillor Steve Simkins.
- What dates will the grant cover? Will it include the period from November 2021 to March 2023? Is this assuming that the works will be almost complete, and that people will return to the town centre?
- Like other traders, we believe that the grants should cover, at a minimum, the point at which all remaining traffic bollards (14 of which still need to be installed at the top of Victoria Street), street furniture, and other works are completed, reflecting the council's CGI imagery that has been used in marketing.
- It is also important to consider that even after the works are completed, there will still be a need for support for businesses. It is unlikely that shoppers will immediately return to the area without a plan in place to encourage them. To our knowledge, the council has not engaged with businesses to discuss ways to attract people to the newly paved area of the town.
- Overall, we are extremely concerned that this process is simply a "box-ticking" exercise, where decisions have already been made. If this is not the case, it is difficult to understand why the council set a deadline with only a two-day turnaround for businesses to provide feedback before making recommendations for a decision. Nevertheless, we challenge the council to prove us wrong.



**For Attn of :**

**Chief operating officer.**

**Newly Elected Scrutiny Panel May 2023**

<a href="#">Councillor Jacqueline Sweetman</a> (Chair)	Labour
<a href="#">Councillor Udey Singh</a> (Vice-Chair)	Conservative
Martin Stevens (Clerk)	
<a href="#">Councillor Ellis Turrell</a>	Conservative
<a href="#">Councillor Mary Bateman</a>	Labour
<a href="#">Councillor Philip Bateman MBE</a>	Labour
<a href="#">Councillor Ciaran Brackenridge</a>	Labour
<a href="#">Councillor Claire Darke</a>	Labour
<a href="#">Councillor Jasbinder Dehar</a>	Labour
<a href="#">Councillor Sally Green</a>	Labour
<a href="#">Councillor Celia (CeeCee) Hibbert</a>	Labour
<a href="#">Councillor Harbinder Singh</a>	Labour
<a href="#">Councillor Iqra Tahir</a>	Labour

Following the emergency Scrutiny Board meeting held 2<sup>nd</sup> May 2023, this was rescheduled to convene post elections and is currently scheduled for 13<sup>th</sup> June, we are aware that some of you attended the meeting and are also part of that panel.

We would like to bring to your attention that the issues that we have raised to the Scrutiny Board should be raised at this the Economy and Growth Scrutiny Board as they bear relevance to decisions made here.

Westside Traders Group (WSTG) was set up to represent businesses who have been severely impacted by the roadworks carried out by the Council between November 2021 – May 2023. We have been requesting financial hardship relief since April 2022 and have met regularly with the Council, only to find sheer disappointment in the failings to deliver what WSTG feel were “false promises” made.

It is in the interest of this Scrutiny to understand the economical truth that has been presented to this Scrutiny panel and request for some fairness and justice for the livelihoods of WSTG businesses. It is suffice to say that WSTG have been cooperative to the requests placed upon businesses during various processes of assessment by the council. We are appealing to rectify this unjust situation to this Scrutiny and Scrutiny board which we feel cannot be ignored considering the damage done to businesses and their potential growth and the growth of the area. This panel is also an intrinsic part of approving and scrutinizing decisions made by the Council and its delegates, hence the reason for the need for matters to be addressed here.

We have therefore forwarded all necessary documentation that has been presented to the Scrutiny Board and this document will be an additional enclosure marked as Enc11.

In respect to Economy and Growth Scrutiny Panel there are areas where the panel's responsibility needs to pay consideration to Westside Traders Group in relation to the following functions:-

<b>Responsibility</b>	<b>WSTG Comment</b>
Creating good quality local jobs	This should also include sustaining jobs, especially for established businesses.
Ensuring flexible systems which support local businesses to grow and residents to access good jobs	WSTG feels that this has been considerably lacking as it has been instigated by WSTG and not come from the awareness of the council.
Supporting local businesses to start up, scale up and thrive	Clearly not the case for existing businesses especially as the roadworks may well have inhibited businesses the opportunity to scale up.
Attracting new investment which brings social and economic benefit to all	As several established businesses were forced to close because of the roadworks and the delay in Council providing any kind of financial hardship. This can make the area less attractive to new businesses wanting to invest in.
Creating vibrant high streets with quality culture and leisure offers	Wolverhampton always boasted of its many independents which made it unique. There are far less now than before and this unique "visiting attraction" will disappear as the businesses struggle to mitigate their losses. Over the years what was a vibrant Westside has repeatedly been stripped by poor decisions made by the council for over 12 years. Summer Row, Market moving, Bus Stops, Taxis all moved. With the pedestrianisation/roadworks since Nov 2021 and the lack of consultation/ impact analysis caused major disruption to businesses causing drastic reduction in footfall as a consequence of poor management.
Number of jobs created / safeguarded in the city through the Investment Team	Existing businesses, traders should also have their employees' jobs safeguarded.

<p>Empty properties in the city centre</p>	<p>The pedestrianisation of Westside has added to empty properties as over half a dozen businesses have ceased to trade and others have moved from Victoria St. Some established businesses have suffered irrevocable losses with no financial hardship relief and are hanging by a thread as footfall has been taken away and may not return for a long time.</p>
<p>Business that survive one year in city</p>	<p>With more works planned for Westside, footfall won't return as quickly as people end up going elsewhere. Survivability of established businesses who have demonstrated losses should have their losses mitigated.</p>
<p>% change in? activity in city retail &amp; recreational settings – Google Analytics –</p>	<p>Who reviews this? How will the impact of Westside be measured post pedestrianisation. Additionally moving forward with Bell Box Place? As works have already got underway. How will businesses be supported going forwards realistically. What lessons have been learnt and any impact analysis on existing businesses in area. 2 events have been held in Westside and both were neither advertised well or have the attendance that we would expect. The illusion of successful events being reported is not the reality.</p> <ol style="list-style-type: none"> <li>1. The art fest at start of May was reported to have a few thousand attend – we had a stand and it wasn't that. How can they include football traffic as event success.</li> <li>2. Victoria St Artisan Market – many customers didn't even know about it. No physical banners etc displayed. It was also scheduled on a cup final day.</li> <li>3. Express &amp; Star - Cllr Steve Evans reported around 20 stalls when there appeared to be less with not much variety. It is implied by Cllr Evans with more disruption to come that Council will strive to keep it down to a minimum. We can only</li> </ol>

	hope that disruption is no where near what has already been endured.
Wolverhampton based businesses supported by the Council	Where, who and how are they being supported and is there a qualifying criteria? The experiences of WSTG have not been in the best interest of businesses.

Having gone through past minutes that have been shared on the council website, we would like to bring to your attention some concerns that have come to light which WSTG were unaware of. In particular with what was being communicated about situations from Council to Economy & Growth Scrutiny Board.

**PLEASE NOTE: To make it easier for WSTG to respond to, the text highlighted in red is WSTG take issue with. Our comments about the concern are highlighted in blue.**

**It was easier to include the documented minutes.**

**Economy and Growth Scrutiny Panel - Wednesday, 28th September, 2022 6.00 pm**

The Vice-Chair asked what assurances Officers were able to give that some of the projects highlighted in the presentation would come to fruition. He referred to the West Side Project which had been presented to Scrutiny in the past, but which was no longer going ahead in the form that had been detailed.

The Director of Regeneration with reference to West Side explained that the Council had exhausted all opportunities with the developer Urban & Civic. The project had started with a large capital receipt due to the authority and ended up with Urban & Civic asking the Council to under write a significant amount of funding. This was considered too much of a risk for the organisation. The demand for a hotel had not gone away and the need to develop a new one for the City. A new hotel would require significant investment by the authority, unless a partner could be found to develop one.

Members discussed funding arrangements for regeneration projects in Wolverhampton. The Chair and Vice-Chair asked for an update on this matter at a future meeting.

**WSTG Comment: Was this provided?**

## 6. City Public Realm Works

[To receive a presentation on City Public Realm Works].

### Minutes:

The Temporary Director of City Housing and Environment presented slides on the City Public Realm Works. Phase 1 (Victoria Street) was currently on programme to deliver a new events square to support the Events Programme in the City. Phase 3 (Civic Halls) was currently on programme to deliver a completed scheme for handover to the Civic Halls operator. The project was funded by the Future High Street Fund.

The Temporary Director of City Housing and Environment stated a group had been established which met on a monthly basis to talk to traders about the progress of the works. It also provided feedback on specific issues and sought to obtain their ideas about events the City could hold in the space. Social media provided updates on the works and helped to communicate that businesses were still open. They had secured a business independent advisor to help the Council work with the local business in the area. It had been an intense period of work which had its challenges.

The Chair asked where the project could be improved. The Temporary Director of City Housing and Environment responded that there had been some challenges with engaging with some of the businesses. When works were about to start the City was still in Covid lockdown and some of the messages and leaflets couldn't be sure had been received and read. During the works a large damaged sewer had been identified with a 3 meter void, which needed to be repaired by Severn Trent, meaning that the work programme had to be changed.

**WSTG Comment:** WSTG had raised issues that no evidenced formal consultation took place and this statement by the Temporary Director of City Housing and Environment clearly confirms that there was no follow-up with businesses whatsoever prior to works commencing.

This statement is contradicted by the Director of Housing at the Economy and Growth Scrutiny meeting held 15<sup>th</sup> February, which WSTG were unaware of. It was stated that consultation had taken place. The briefing note [Enc4] produced by Head of Enterprise, Isobel Woods, has also been challenged by WSTG with a formal response [Enc5] presented to Scrutiny Board and now here, both have been enclosed in pack of information.

The Head of Enterprise added that the Independent Business Advisor had helped with the communication. Some businesses had changed hands and there had been new businesses established.

**WSTG Comment** WSTG disagree with above statement, as no real help with communication was received.

Opportunity was given to SCA Management to address and present to the WSTG financial health check sheet and how it should be completed. This was not done.

A Panel Member praised the plans. They asked about car parking for the disabled and the vulnerable in the public realm areas. He stated that there had been problems in Bilston during the WMCA Tram works. He asked why an independent advisor had been employed after the traders had complained because it could have been foreseen there would be problems. He asked if an impact study had been completed before the works commenced. Six months into the works, traders were still struggling and he believed they had not yet received any compensation from the Council for profits lost.

**WSTG Comment:** WSTG agree with this observation of the panel member regarding the impact study, which is what we have been raising to the council to no avail.

Again, it has been highlighted here that an impact study should have been done.

The Temporary Director of City Housing and Environment responded there were plans for parking for the disabled. They had also been working with the traders to ensure they were aware of these plans. There was a liaison Officer employed, but it was true that they had not foreseen the extent of the impact on the traders.

**WSTG Comment:** Temporary Director of City Housing and Environment responded and admitted “they had not foreseen the extent of the impact on the traders”. So why are the council still not accepting financial hardship relief for businesses as being justifiable?

Coming out of a pandemic, switching in retail behaviour and the pandemic meant it was hard to predict the level of impact.

**WSTG Comment:** Why did the council not use government statistics to predict level of impact post pandemic?

The Temporary Director of City Housing and Environment responded there were plans for parking for the disabled. They had also been working with the traders to ensure they were aware of these plans. There was a liaison Officer employed, but it

was true that they had not foreseen the extent of the impact on the traders. Coming out of a pandemic, switching in retail behaviour and the pandemic meant it was hard to predict the level of impact.

**WSTG Comment:** Foremost, WSTG were not aware of the plans but an assumption made (see earlier comment – no consultation) and the disruption it was going to cause. Again, we disagree with the above comment and further state that no one in the Westside area was approached or made aware of them.

The Head of Enterprise acknowledged that a lesson had been learnt on the extent of liaison required with traders for the Public Realm project. Strong robust data and analysis was required on any **level of compensation and support to be awarded to businesses**. The businesses advisor was able to give impartial independent advice to the Council. Any compensation payments needed to go through the correct governance process of the Council.

**WSTG Comment:** If lessons were truly acknowledged why did the council still ignore their own findings and not recognise payment of hardship relief?

What was the impartial advice given to the Council. This clearly identifies that and **makes reference to compensation payments**, yet nothing has transpired merely delaying tactics to avoid paying businesses. WSTG were told not to use the word compensation yet here it is used.

The Temporary Director of City Housing and Environment added that the grant funding allocated to the Council for the **project did not include provision for any compensation payments to businesses**. Sometimes works were scheduled so **shops could maintain access such as late night and early morning working**.

**WSTG Comment:** Does not this show the failings in management and the lack of foresight that a project of that enormity would not have major impact on businesses and why was financial hardship/compensation for businesses not negotiated or provisioned for out of the funds given as a grant. Furthermore, schedule of works, caused the disruption and basically cut off footfall by the sheer number of barriers, poor signage etc which prevented customers from coming into the city.

A Panel Member commented that the feedback he was receiving from businesses within the City as a whole was one of a lack of support from the Council. He asked about the costs of the independent business advisor. The Head of Enterprise responded that a tender process had taken place for the advisor, which was required as they needed to be independent. A local business advisor had been

recruited, 4 of his team had been liaising with the traders. Now European funding was coming to an end, the funding they received to support businesses more generally within the City would change and the criteria on how they could support them. The programme needed to be shaped going forward and work needed to take place with the WMCA. The Shared Prosperity Funding was a key part of the new system. Members asked for a report on the matter to be brought to the Panel at an appropriate time.

Members asked for a report on the compensation and support package to being offered to businesses in the area of the public realm works to be brought back to the Panel when there was a clearer picture.

**Resolved:** That the Panel receives a report on the **compensation and support package** being offered to businesses within the area of the public realm works, when it is clearer as to what is to be offered.

**WSTG Comment:** Did this report get produced and have this panel seen it as it states it has been resolved? In addition, it clearly states compensation and support package so where and what is this compensation and support package?

**Resolved:** That a report be brought to the Panel at an appropriate time regarding funding the Council would receive in the future to support businesses more generally across the City.

**WSTG Comment:** How and when is this going to be communicated to businesses across the city and how will it be assessed with regards to actual provision of support. Who determines this?