

# Briefing Note

**Title: City West Relaunch Scheme Evidence****Date: 13 June 2023****Prepared by: Isobel Woods****Job Title: Head of Enterprise****Intended Audience:**Internal Partner organisation Public Confidential 

---

## 1. Purpose

- 1.1 Following the emergency Scrutiny Board meeting on 2 May 2023, a request was made by the Board to receive a further report to consider all relevant documentary evidence relating to the City Centre West Relaunch Grant scheme.

## 2. Background

- 2.1 The two specific actions requested by the Board were as follows:

- 1. The Board to receive a further report at a date to be agreed to consider all relevant documentary evidence relating the City West Grant Relaunch Scheme and discussions with representatives of the Westside Traders Group.*
- 2. The Board to invite, named Council employees and the Cabinet Member to give evidence in response to the concerns highlighted by representatives of the Westside Traders Group about the City West Grant Relaunch Scheme.*

- 2.2 Section three of this report , and linked **Appendices 1 - 15**, addresses **Action one** and highlights the work undertaken since the 13 March 2023 when council representatives presented initial proposals for the City Centre West Relaunch Grant Scheme to the Westside Traders Group. This consisted of a package of business support measures and a proposal for a one-off grant which businesses could access to invest in their business and seize upon the opportunities presented by £15 million investment in new public realm and space.

- 2.3 Section 4 of the report, sets out the points and issues that representatives of the Westside Traders group submitted to the Council on 5 June 2023 with responses from Council representatives included within the report for Scrutiny Board to consider. This helps to address **Action 2** as detailed at 2.1 above.

## 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)	

#### 4. Points Raised by the Traders in correspondence received 5 June 2023

4.1 As reference in 2.3, the correspondence received by the Traders has been included as **Appendix 16** of this report. A response to the points raised related to the Relaunch grant have been presented below.

##### 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.

#### **4.1.2 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.

#### **4.1.3 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.

#### **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.

#### **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.

#### **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

#### **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).

### **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.

### **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.

#### **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.

#### **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.

#### **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.

### **4.1.13 Point 13**

*The IEDN was not shared with Traders and was found on the system*

#### **Councils Response**

The council can only make a formal decision public once it has been approved by members. The Director of Resident Service wrote to WSTG on 24 March 2023 to share that the businesses had opted for Option 2 - the relaunch grant and officers were working quickly to move this forward.

Approval was granted and the document made public on 31 March 2023. A letter was hand delivered or emailed on 4 April (appendix 7) and the Director of Resident Service contacted WSTG to inform them that the Relaunch Grant was live.

### **4.1.14 Point 14**

*The council refused the request by the vice chair in relation to concerns*

#### **Response to Point 14**

The request made by the vice-chair was for an urgent Scrutiny Board meeting which required the council to set up an extraordinary meeting. An email was sent to WSTG from Director of Resident Services (27 April 2023) to confirm the meeting had been arranged for 2 May 2023

### **4.1.15 Point 15**

*WSTG did express the whole of the sub-group to attend or at least 3 / 4 members. We heard nothing from the council*

#### **Response to 15**

WSTG were contacted and advised that members of the group could attend the meeting and watch proceedings from the public gallery, or indeed view the meeting on-line. To ensure the voice of the traders was heard in the meeting, two members of the group were invited to speak and address councillors and these representatives were confirmed to Council officers beforehand.