

TITLE	Small Business Discretionary Payment
FOR CONSIDERATION BY	The Executive on Thursday, 28 May 2020
WARD	None specific
LEAD OFFICER	Deputy Chief Executive - Graham Ebers
LEAD MEMBER	Executive Member for Finance and Housing - John Kaiser

PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)

To seek approval from the Executive to adopt the Discretionary Grants policy.

RECOMMENDATION

That the Executive approves the Wokingham Borough Council's Discretionary Grants Policy, relating to the Covid 19 pandemic as set out in Appendix 1 of the report *(to follow)*.

EXECUTIVE SUMMARY

In response to COVID-19, in Budget 2020, the government announced that it would provide additional business rate support to some small businesses.

The Chancellor announced, as a temporary measure for 2020/21 that he would;-

- Increase the level of the retail discount to 100% for eligible retail businesses occupying a property with a rateable value of less than £51,000;
- Expand the retail discount to include hospitality and leisure properties, with a rateable value of less than £51,000 (such as museums, theatres, gyms and hotels);

The Chancellor then announced on 17 March 2020 further business rates support to help the most-affected firms by;

- giving all retail, hospitality, leisure businesses & nurseries in England a 100% business rates holiday for the next 12 months

A further announcement was made on 25 March 2020 that further business rates support would be provided to affected firms by;

- giving Employment Agencies, Estate Agents and Letting Agents, and Betting shops a 100% business rates holiday for the next 12 months

In addition on 1st May, the Government announced that it would provide Local Authorities with additional funding to target small businesses with high fixed property-related costs but were not eligible for the current grant schemes as highlighted above.

The Government want Local Authorities to exercise their local knowledge and discretion and they recognise that economic need will vary across the country, so they are setting some national criteria for the funds, but allowing Local Authorities to determine which cases to support within those criteria.

The Government are asking Local Authorities to prioritise the following types of businesses for grants from within their funding pot:

- Small businesses in shared offices or other flexible workspaces. Examples could include units in industrial parks, science parks and incubators which do not have their own business rates assessment;
- Regular market traders who do not have their own business rates assessment;
- Bed & Breakfasts which pay Council Tax instead of business rates; and
- Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief.

The list set out above is not intended to be exhaustive, but is intended to guide Local Authorities as to the types of business that the Government considers should be a priority for the scheme.

BACKGROUND

The UK Government has announced a range of measures to support businesses during the Covid-19 (Coronavirus) pandemic.

BUSINESS CASE

On 1st May, the Government announced that it would provide Local Authorities with additional funding to target small businesses with high fixed property-related costs but that are not eligible for the current grant schemes.

The Government are making an additional 5% uplift to the £12.33 billion previously announced for the Small Business Grants Fund and the Retail, Hospitality and Leisure Grants Fund, or up to £617 million, available to Local Authorities.

They will confirm the exact amount for each local authority in due course. Where Local Authorities anticipate having remaining funding from their initial allocations, having made payments to all eligible businesses, we are required to use these remaining funding first. Additional funding will only be made available where a Local Authority does not have sufficient remaining funds to meet the costs of this additional 5% discretionary grant fund.

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These grants are primarily and predominantly aimed at:

- Small and micro businesses, as defined in Section 33 Part 2 of the Small Business, Enterprise and Employment Act 2015 and the Companies Act 2006.
- Businesses with relatively high ongoing fixed property-related costs
- Businesses which can demonstrate that they have suffered a significant fall in income due to the COVID-19 crisis
- Businesses which occupy property, or part of a property, with a rateable value or annual rent or annual mortgage payments below £51,000.

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The Government are asking Local Authorities to prioritise the following types of businesses for grants from within their funding pot:

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The list set out above is not intended to be exhaustive, but is intended to guide Local Authorities as to the types of business that the Government considers should be a priority for their individual discretionary schemes.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council continues to face severe financial challenges over the coming years as a result of reductions to public sector funding and growing pressures in our statutory services. It is estimated that Wokingham Borough Council will be required to make budget reductions of approximately £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	Funding to be made available from Central Government. For WBC this will be in the region of £1m	Yes	Revenue – grant funded
Next Financial Year (Year 2)		Yes or No	
Following Financial Year (Year 3)		Yes or No	

Other Financial Information
None

Stakeholder Considerations and Consultation
Internal key stakeholder contributed to the creation of the policy

Public Sector Equality Duty
Having reviewed the equality requirements this discretionary policy relates to individual businesses and not individuals. Therefore Equality Impact Assessment is required.

Climate Emergency – <i>This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030</i>
No impact on the Council’s carbon neutral objective.

List of Background Papers
Joint Ministerial Letter – Covid 19 discretionary fund Local Authority discretionary grant fund guidance (to follow)

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