

Agenda Item IMD8

INDIVIDUAL EXECUTIVE MEMBER DECISION

REFERENCE IMD: 2020/08

TITLE	Amendment to the Small Business Discretionary Payment Policy
DECISION TO BE MADE BY	Deputy Leader of the Council - John Kaiser
DATE, MEETING ROOM and TIME	24 June 2020 Teams meeting at 14.00
WARD	None Specific;
DIRECTOR / KEY OFFICER	Deputy Chief Executive - Graham Ebers

PURPOSE OF REPORT (Inc Strategic Outcomes)

To seek approval and adopt the amendment to the Small Business Discretionary Payments Policy that was approved by the Executive on 28th May 2020.

Under section 4.3 Eligibility Criteria it stated:

This grant funding is for businesses that are not eligible for other support schemes. Businesses which have received cash grants from any central government COVID-19 related scheme are ineligible for funding from the Discretionary Grants Fund.

To financially support business further it is recommended that this paragraph is updated to allow those businesses that have previously received financial support in the form of a loan to apply for the discretionary grant payment.

Businesses that have already received support in the form of a grant remain ineligible to apply.

RECOMMENDATION

That the Executive Member for Finance and Housing approve the amended policy as set out in Appendix 1 of the report.

SUMMARY OF REPORT

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 set some national criteria for the funds, but allowing Local Authorities to determine which cases to support within those criteria.

The Small Business discretionary payment policy was approved by the Executive on 28th May, but an amendment is now required to the policy to enable further financial support

to be given to businesses who could not previously claim under Wokingham's discretionary policy.

Background

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.

The additional funding awarded to Wokingham Borough Council is £1.1m.

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.

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.

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 their individual discretionary schemes.

Business Case (including Analysis of Issues)

The policy now needs amending to allow further financial assistance to those businesses who are still struggling due to Covid 19 and allow them to apply for the discretionary payment.

As of 12th June (closing date for applications), 226 business have applied for this discretionary payment – please see breakdown below:

Ready for payment = 81
 Being reviewed = 5
 Rejected = 71
 Awaiting further information = 50
 Applications awaiting triage = 19

Total = 226

of which 81 Businesses are currently entitled to the payment. This amounts to £518,000 from Wokingham’s original fund of £1.1m

Originally the governments discretionary guidance excluded businesses, who had received some other form of financial support under Covid 19 eg: Loans, Grants and those business who had received grants under the mandatory scheme.

Some of these loans must be paid back by the business and the amendment to our policy would provide some additional financial support to these businesses going forward.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	Funding provided by Government	Yes	Revenue
Next Financial Year (Year 2)	TBC	-	-
Following Financial Year (Year 3)	TBC	-	-

Other financial information relevant to the Recommendation/Decision
None

Cross-Council Implications
None

Public Sector Equality Duty
Due regard has been given to the Council’s Public Sector Equality Duty.

SUMMARY OF CONSULTATION RESPONSES	
Director – Corporate Services	No comment
Monitoring Officer	No comment
Leader of the Council	No comment

Reasons for considering the report in Part 2
N/A

List of Background Papers
Discretionary Grant Fund Guidance v.2 Original Local Authority Discretionary Payment Policy

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