

URGENT Portfolio Holder decision record sheet

Name of decision maker:	Cllr Graeme Elliot
Portfolio:	Finance & Resources
Date of Portfolio Holder decision:	

Title of decision:	COVID-19 support for businesses
Part II:	No
Part II reason:	

Background to report:

As part of its response to the disruption caused by COVID-19, Government has announced several policies aimed at supporting businesses through this economically difficult period including;

- Implementation of a 12-month business rates holiday for businesses in the retail, leisure, hospitality sectors, and for childcare providers.
- £10k Grants for small businesses which receive small business rate relief or rural rate relief,
- £10k or £25k Grants for business premises in the retail, hospitality or leisure sectors.

This decision is to formally adopt these policies to support businesses in Dacorum.

Decision made and reasons:

Business rates holiday 2020/21

To introduce a discretionary business rate relief for the year 2020/21 for occupied properties that are wholly or mainly being used:

- as shops, restaurants, cafes, drinking establishments, cinemas or live music venues
- for assembly and leisure; or
- as hotels, guest & boarding premises and self-catering accommodation.
- for childcare provision

The relief will be known as the Business Rates Holiday 2020/21.

- The value of the relief will be the whole of the business rates bill.

The relief will be granted in line with detailed guidance issued by the Ministry of Housing, Communities & Local Government (MHCLG)

The relief was announced as part of the Government's response to disruption caused by COVID-19.

The awards are subject to state aid regulations, but the Government has advised that this is notified state aid under EU regulations and so is not subject to the de minimis regulations. This means that there are no limits linked to the rateable value of the property, nor to the number of properties throughout England on which a business can receive a business rates holiday.

As it is only for a limited period of time the Government will not legislate for this change, and instead expects local authorities to use their discretionary powers under section 47 of the Local Government Finance Act 1988.

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Small Business Grants

- To award grants of £10,000 to those liable for business rates on 11 March 2020 who have small business rate relief or rural rate relief on their business rates bill.

Retail, Hospitality and Leisure Grants

- To award grants of £10,000 per property to those liable for business rates on 11 March 2020 where the rateable value is less than £15,000, and they would qualify for the business rates holiday as a retail, leisure or hospitality business.
- To award grants of £25,000 per property to those liable for business rates on 11 March 2020 where the rateable value is £15,000 or more but less than £51,000, and they would qualify for the business rates holiday as a retail, leisure or hospitality business.

The awards will be made in line with detailed guidance issued by the Department for Business, Energy & Industrial Strategy (BEIS).

The grants are subject to State Aid rules, with a maximum total award for any company of £680,000 across the whole of England.

Cost to the Council

The Government will provide DBC with a full reimbursement to cover the cost of these grant and relief allocations. The business rate holiday relief will equate to circa £20m or reduced costs to businesses and the business grants will equate to circa £28m of additional financial support to circa 2000 businesses across Dacorum.

DBC will also be provided with new burdens funding towards the cost of administering the schemes.

Authority to make decisions of this type has been delegated to the Portfolio Holder (Finance & Resources) by cabinet decision CA/78/17.

Reports considered: (here reference can be made to specific documents)

Expanded retail discount 2020/21: Coronavirus response – Local Authority Guidance published by MHCLG

(<https://www.gov.uk/government/publications/business-rates-retail-discount-guidance>)

Small Business Grants Fund and Retail, Hospitality and Leisure Grant Fund guidance published by BEIS

(<https://www.gov.uk/government/publications/coronavirus-covid-19-guidance-on-business-support-grant-funding>)

Officers/Councillors/Ward Councillors/Stakeholders consulted:

Assistant Director (Finance & Resources)

Group Manager (Revenues, Benefits & Fraud)

Monitoring Officer comments:

No comments to add to the report.

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Deputy Chief Financial Officer comments:

The implementation of these schemes are funded through MHCLG and BEIS grants in full and will not impact negatively on DBC funding.

These funds are vital to support local businesses in this time of economic uncertainty.

Implications:

We estimate that the business rates holiday will help around 600 businesses, with a total relief award of around £20 million. The grants are likely to benefit around 2,000 businesses, to a total value of around £28 million.

Risk:

If the Council does not adopt the scheme, there is a risk of reputational damage, and also of businesses ceasing to trade.

Value for money:

There will be no net cost to the Council to introduce the scheme. Government will provide section 31 funding to offset the reduction to collectable rates and meet the cost of the grants. It will also provide new burdens funding towards the cost of administration of the schemes.

Options considered and reasons for rejection:

The only alternative option is not to introduce the schemes. This has been rejected because of the risks to local businesses, and the risk of reputational damage to the Council.

Portfolio Holder's signature:

Date:

Details of any interests declared and any dispensations given by the Standards Committee:

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Date decision record sheet received from portfolio holder: 31/03/20

Date decision published: 31/03/20

Decision no: PH-004-20

Date of expiry of call-in period: N/A

Date any call-in received or decision implemented: