



**Caroline Russell AM**  
**City Hall**  
**The Queen's Walk**  
**LONDON SE1 2AA**

To:

Debbie Weekes-Bernard, Deputy Mayor, Social Integration,  
Social Mobility, Community Engagement

and

Rajesh Agrawal, Deputy Mayor for Business

Via email

20 April 2020

Dear Debbie and Rajesh,

### **Shortfall in grants for SMEs**

I write to raise awareness about small businesses in London who are struggling to access the funding they need to survive during the COVID-19 pandemic. As you are aware small businesses in London face different issues compared to small businesses across the country, mostly due to the high cost of operating in our city. Before the pandemic these businesses were already struggling financially with their rent and many were in debt. Small business owners have pointed out that there is disparity in those receiving grants and rates relief from the Government.

I have been informed that chain businesses outside of London are receiving rates relief, whereas small independents in locations like Shoreditch would not qualify because the rateable value thresholds do not take into account the steep rises in London property prices prior to this crisis.

Over the past few weeks, I have been in touch with organisations that represent Small and Medium Enterprises (SMEs) in London, particularly the Guardians of the Arches (GOTA) and the East End Trades Guild (EETG). These groups, and others, have conducted research and collected data from their members regarding their needs and the Government's response to the current COVID-19 pandemic. As you will be aware the Government has provided access to grants for many SMEs.

Specifically, GOTA and EETG have drawn my attention to specific areas where government support is falling short:

- London Rateable Values are much higher and therefore the £15,000 cap is too low. The £15,000 threshold is also not reflective of many SMEs in high value areas.



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[caroline.russell@london.gov.uk](mailto:caroline.russell@london.gov.uk) 020 7983 4388 @carolinerussell

- Sector shortfall - Light industry and Manufacturing are not being supported under the current scheme.
- Boroughs are heavily reliant on inaccurate data both held by councils and Valuation Office Agency (VOA), much of which is at least six months out of date with outstanding appeals prior to C-19 which have not been processed.
- Boroughs are inconsistent in their interpretation of guidance
- There is no independent route for businesses to appeal borough decisions, creating a higher risk of manipulation, discrimination and possible gentrification.

GOTA along with business rates experts have analysed their available data and have suggested some recommendations that I thought would be useful to pass along. According to these groups' analysis there are close to 8000 properties in London which are at risk and are in the range of £15,000 to £25,000 rateable value.

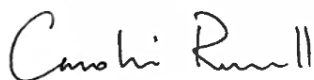
Their suggestion is to increase the Small Business Rate Relief (SBRR) to £25,000 in London for small industrial businesses, as an industrial unit outside London with a £15,000 rateable value is of comparable size. A small industrial business can be identified in the National Non-Domestic Rating List as having a Use Code of IF (Factory), IF3 (workshop), CW (warehouse) and CG1 (vehicle repairs).

With this information in mind could you provide information on:

- How you are supporting London's small businesses that are not having their financial needs met by the SBRR?
- Will you ask central Government to raise the rateable value cap from £15,000 to £25,000 for London's small businesses to ensure they receive adequate government support?
- Are there available funds the GLA could be using to bridge the gaps identified by GOTA and EETG?
- Will you ask the boroughs to allow businesses to appeal using letters of authority if VOA data is incorrect?

I am keen to ensure all local SMEs are protected during this difficult time. Please let me know if I can provide any further information. I look forward to your response.

Yours sincerely,



**Caroline Russell**  
Green Party Member of the London Assembly



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[caroline.russell@london.gov.uk](mailto:caroline.russell@london.gov.uk) 020 7983 4388 @carolinerussell