

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	6 July 2022
Subject:	COVID-19 Additional Relief Fund Scheme (Second Round)
Report of:	Head of Finance and Asset Management
Corporate Lead:	Chief Executive
Lead Member:	Lead Member for Finance and Asset Management
Number of Appendices:	One

Executive Summary:

The purpose of the report is to seek approval for the COVID-19 Additional Relief Fund Scheme (Second Round).

The report also seeks approval for the decision on the allocation of any unspent funds, after all applications have been assessed, to be delegated to the Lead Member for Finance and Asset Management in consultation with the Head of Finance and Asset Management.

Recommendation:

- 1. That the COVID-19 Additional Relief Fund Scheme (Second Round) at Appendix A is ADOPTED.**
- 2. That delegated authority is given to the Head of Finance and Asset Management, in consultation with the Lead Member for Finance and Asset Management, to decide on the allocation of any unspent funds before 30 September 2022.**

Reasons for Recommendation:

To ensure that Members are fully supportive of the proposed scheme and ensure that we continue to provide targeted support to businesses as they continue to recover from the economic impact of the COVID-19 pandemic.

Resource Implications:

The Government has provided funding for the COVID-19 Additional Relief Scheme with our allocation being £2,340,291. To date, we have awarded £214,724.82 COVID-19 Additional Relief.

If the Council overspends against the allocation, the Council will need to meet that cost which means expenditure against allocation will be tightly controlled and the scheme will close once the allocation has been spent.

Legal Implications:

The proposed scheme is consistent with COVID-19 Additional Relief Fund (CARF): local authority guidance. If there is no appeals process from any decision then the decision must be in accordance with the principles of decision-making e.g., lawful, reasonable, proportionate and in accordance with policy as the decision could be subject to a judicial review challenge or complaint to the Local Government and Social Care Ombudsman. Having a clear policy will assist in the decision-making process.

Risk Management Implications:

The government has issued guidance to advise billing authorities of the criteria to be used in making awards from the COVID-19 Additional Relief Fund. As this is a discretionary rate relief, each individual case still needs to be considered on its own merits and we should not adopt a rigid policy or rule which means we do not give due consideration to each application. In recognition of this, the COVID-19 Additional Relief Fund Scheme (Second Round) only provides a broad framework for decision-making.

If the recommendations in this report are not approved, support will not be provided to businesses which could cause reputational damage to the Council.

Performance Management Follow-up:

The number of ratepayers benefitting from the scheme will be monitored by the Revenues and Benefits Team. Further, officers are required to submit regular returns on the progress of the scheme through DELTA, the online data collection system of the Department for Levelling Up, Housing and Communities.

Environmental Implications:

None.

1.0 INTRODUCTION/BACKGROUND

- 1.1** On 25 March 2021, the Government announced a COVID-19 Additional Relief Fund (CARF) of £1.5 billion. The fund is available to support businesses impacted by the pandemic who were ineligible for support linked to business rates. The previous support was primarily targeted at small businesses and those in the retail, hospitality and leisure sectors. This is a discretionary rate relief which is awarded to the 2021/22 business rates bill and not a cash grant.
- 1.2** The £1.5 billion has been allocated to Councils based upon the estimated rateable value in each local authority rating list which falls within the scope of the fund, weighted for the Gross Added Value (GVA) impacts of COVID-19 per sector
- 1.3** A change to primary legislation was required to deliver the fund, which meant that Councils were not provided with any guidance and did not receive notification of their funding allocation until 15 December 2021. We were keen to provide support as quickly as possible to businesses and an initial COVID-19 Additional Relief Fund Scheme was agreed under urgency powers by the Chief Executive in consultation with the Lead Member for Economic Development and Promotion and the Lead Member for Finance and Asset Management in January 2022.

1.4 The scheme went live at the end of January 2022 and despite a considerable amount of outreach work, including telephone calls to businesses identified as being eligible for support, we have only been able to award £214,724.82 of our allocation. It is therefore proposed to launch a COVID-19 Additional Relief Fund Scheme (Second Round).

2.0 Key principles from the government guidance

2.1 Billing authorities can design their own schemes as they are best able to understand the specific economic needs of the area. However, in developing our scheme we must

- a) not award relief to ratepayers who for the same period either are, or would have been, eligible for Expanded Retail Discount (covering retail, hospitality, and leisure), the Nursery Discount or the Airport and Ground Operations Support Scheme (AGOSS).
- b) not award relief to a hereditament for a period when it is unoccupied (other than hereditaments which have closed temporarily due to the government's advice on COVID-19, which should be treated as occupied for the purposes of this relief), and
- c) direct our support towards ratepayers who have been adversely affected by the pandemic and have been unable to adapt to that impact.

2.2 The legislation governing discretionary rate relief does not allow it to be awarded to billing authorities and local or major precepting authorities, however there are also other types of business officers do not consider it appropriate to support through the scheme. These include:

- Banks and other financial institutions, including ATMs;
- Public bodies such as Fire and Rescue, Police, Ambulance Service, NHS Trusts and Government departments;
- Networks supplying utilities and associated properties including electricity, gas, telecommunications, water, renewable energy and independent network operators;
- Royal Mail sorting offices and delivery services; and
- Medical services including vets, dentists, doctors, osteopaths and chiropractors.

If a business is included in the list of exclusions, it can still apply providing it can demonstrate it has been severely financially impacted by the pandemic.

2.3 Businesses who were awarded COVID-19 Additional Relief under the original scheme, will receive top-up funding to match the original award. Where necessary this will be capped at 100% of their business rates liability for the 2021/22 financial year as any award cannot exceed total liability.

2.4 New applicants will need to demonstrate that they have been severely financially impacted by the pandemic and they have been unable to adapt. This is likely to be in the form of accounts, bank statements and management accounts for previous years and bank statements and management accounts for the current period.

2.5 We will accept applications for the COVID-19 Additional Relief Fund (Second Round) from Monday 25 July to Friday 28 August 2022. Applications need to be made using the online form available at www.tewkesbury.gov.uk

Subsidy Control

2.6 Reliefs are subject to subsidy control (formerly State Aid) and businesses must confirm they have not exceeded the published levels which will exclude them from receiving the relief.

3.0 OTHER OPTIONS CONSIDERED

3.1 Members could choose not to agree the COVID-19 Additional Relief Fund Scheme (Second Round) however there is a clear expectation from Government that we will use the funding to support businesses in their recovery from the pandemic.

4.0 CONSULTATION

4.1 Discussions have taken place between the six Gloucestershire Districts, to agree broad principles for scheme alignment. There are, however, differences based on the individual business make up of each area.

5.0 RELEVANT COUNCIL POLICIES/STRATEGIES

5.1 None.

6.0 RELEVANT GOVERNMENT POLICIES

6.1 COVID-19 business support packages.

7.0 RESOURCE IMPLICATIONS (Human/Property)

7.1 None directly associated with this report other than officer time.

8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

8.1 None.

9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

9.1 The scheme must be within the broad guidance set out by the Government. The scheme is primarily targeted at businesses impacted by the pandemic who have been unable to adapt.

10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

10.1 None.

Background Papers: None.

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Appendices: A - COVID-19 Additional Relief Fund Scheme (Second Round).