

Covid Additional Relief Fund

For Cabinet Member for Finance and Governance on 3rd February 2022

Summary

Lead Member: Cllr Tom Dawlings

Lead Director: Stephen McGinnes, Director of Mid Kent Services

Head of Service: Zoe Kent, Interim Head of Revenues and Benefits

Report Author: Zoe Kent

Classification: Public document

Wards Affected: All

Approval Timetable	Date
Management Board	3 rd February 2022
Portfolio Holder	3 rd February 2022
Report Published	11 February 2022
Decision due not before	21 February 2022

Recommendations

Officer / Committee recommendations as supported by the Portfolio Holder:

1. That the Portfolio Holder for Finance and Governance approves the Covid Assistance Relief Scheme (appendix A); and
2. Delegates authority to the Interim Head of Revenues and Benefits to make such adjustments as are necessary to awards within the scheme, subject to the overall funding allocation.

1. Introduction and Background

- 1.1 On the 25 March 2021 the Government announced a new Covid-19 Additional Relief Fund of £1.5b, with individual authority allocations and scheme guidance issued 15 December 2021. The fund is available to support businesses affected by the pandemic that are ineligible for existing support linked to business rates.
- 1.2 The funding has been allocated to authorities based upon the estimated rateable value in each local authority rating list which falls within the scope of the scheme.
- 1.3 The funding allocation to Tunbridge Wells is £3,202,782.
- 1.4 It is for each authority to design the discretionary relief scheme in their area, however in developing the scheme LA's must:
- Not award relief to ratepayers who for the same period of the relief (2021/22), been eligible for the Extended Retail Discount (covering retail, hospitality and leisure), the Nursery Discount or the Airport and Ground Operations Support Scheme;
 - Not award relief for a period when a property is unoccupied;
 - Direct support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact; and
 - Not award relief to themselves or certain precepting authorities.
- 1.5 It is for each authority to determine the categories of business that fall within their scheme and level of relief for individual ratepayers, subject to the overall grant allocation received.
- 1.6 The scheme is to operate for 2021/22 only with all awards made prior to the 31st March 2022.
- 1.7 In line with other business support throughout the pandemic, awards are subject to overall subsidy control (previously known as state aid) limitations and reporting requirements in relation to the scheme and awards made.

2. Options Considered

- 2.1 Option 1 – do nothing. The council has the discretion to implement a scheme and could decide to take no action, with the funds returned to government and no additional support provided to local businesses.
- 2.2 Option 2 – to exclude those businesses set out at para 1.4 and distribute the balance of funding through a direct award to all remaining businesses within the borough. Such an approach would provide for a reduction of 8%.
- 2.3 Option 3 – to exclude those businesses set out at para 1.4 and in addition remove those business sectors and property types that are less likely to have been adversely affected by the pandemic (tabled below) and distribute the balance of funding through a direct award to all remaining businesses in the borough. Such an approach would provide for a reduction of 35%.

Sectors excluded	Property Types excluded
<ul style="list-style-type: none">• Financial Services• Professional Services• Storage and distribution• Information, Communications & Technology• Public services• Education	<ul style="list-style-type: none">• Advertising right• Car parking space• Photovoltaic installation• Riding Stables• Show homes and showhouse• Workers seasonal accommodation• Quarry

- 2.4 Option 4 – to exclude those businesses set out at para 1.4 and invite all other businesses to make an application for relief and provide supporting evidence of how they have been impacted. Levels of award would then be determined based on individual circumstances, subject to the overall financial limit for the scheme.

3. Preferred Option and Reason

- 3.1 The preferred scheme is option 3.
- 3.2 The pandemic has impacted on most businesses to some degree whether through reduced trade, staff shortages or increased operating costs to maintain a covid secure workplace. It's therefore recommended that a scheme should be introduced to provide additional support.
- 3.3 In order to provide support as quickly as possible and minimise the burden on local businesses, a scheme of direct awards is favoured, with any application process and means testing held to be time consuming for businesses and operationally difficult to administer within the timeframe for awards, 2021/22.
- 3.4 In considering the scope of businesses to be included within the scheme and level of award to be made, a balance needs to be struck between keeping the

scheme as open as possible given the range of impacts on business whilst recognising that the more business businesses qualifying for the scheme, the lower the level of individual awards, given the financial limits to the scheme.

3.5 Option 3 is believed to provide the necessary balance.

4. Consultation on Options

4.1 The recommendation has been made in consultation with the Head of Economic Development, Management Board and the Cabinet Member for Economic Development.

4.2 Given the urgent need to adopt and implement a scheme no external consultation has been undertaken.

5. Implementation

5.1 Adjustment will be made within the business rates system to allow for the additional business rates relief, with an amended bill and supporting information sent to all qualifying businesses.

5.2 An outline of the scheme will be promoted within the business newsletter, placed on the Council's website and shared with all Elected Members.

6. Appendices and Background Documents

Appendices:

- Covid Additional Relief Fund Policy
- Department for Levelling Up, Housing and Communities Guidance

7. Cross Cutting Issues

A. Legal (including the Human Rights Act)

Acting on the recommendations is within the Council's powers as set out at section 47 of the Local Government Finance Act 1988 (as amended) to grant relief.

Team Leader Corporate Governance

B. Finance and Other Resources

Accepting the recommendations will demand new spending of £3,202,782. This cost is met in through a grant from the Department for Levelling Up, Housing and Communities. Any spend above the grant provided will be at a direct cost to the council.

Jane Fineman, Head of Finance and Procurement

C. Staffing

The scheme will be implemented and operated within existing resources from the Revenues and Benefits Team.

Zoe Kent, Interim Head of Revenues and Benefits

D. Risk Management

Modelling for the scheme is based on information held within the business rates system and provided by the Valuation Office Agency, which is limited in terms of detail on business activity. As such it is possible that there may be some challenge and adjustment to those businesses identified as being within the scope of the scheme. To mitigate that risk a contingency of 5% of the overall grant allocation will be retained to allow for any adjustment to awards.

In making direct awards we will be reliant on businesses making a self-declaration if they do not meet the criteria for the scheme i.e. have not been adversely impacted by covid or will exceed subsidy control limits. This risk will be mitigated by sending information with the revised businesses rates bill setting out the criteria and potential action in the event of any fraudulent non-disclosure.

Zoe Kent, Interim Head of Revenues and Benefits

E. Environment and Sustainability

No impact

Zoe Kent, Interim Head of Revenues and Benefits

F. Community Safety

No impact

Zoe Kent, Interim Head of Revenues and Benefits

G. Equalities

The scheme is intended to support businesses adversely affected by the Covid 19 pandemic.

Jane Clarke, Head of Policy and Governance, 05/10/2020

H. Data Protection

The scheme is designed to support businesses that are registered for business rates. As such it is likely that their personal information will already be held by the Council for the administration of business rates. The information will be held securely by the service in accordance with the Tunbridge Wells Data Protection Policy, and the Revenues and Benefits privacy notice.

Where new data, or additional data is collected about the individual (not already held by the Council) it will be collected only for the purpose of administering the scheme and will be processed in line with delivery of this service.

Jane Clarke, Data Protection Officer

I. Health and Safety

No impact

Zoe Kent, Interim Head of Revenues and

J. Health and Wellbeing

No impact

Zoe Kent, Interim Head of Revenues and Benefits