

SLOUGH BOROUGH COUNCIL

Report to:	Cabinet
Date:	17 May 2022
Subject:	NNDR Covid Additional Relief Funding scheme (CARF)
Chief Officer:	Steven Mair (Director of Finance)
Contact Officer:	Chris Boylett (Interim Group Manager Revenues, Benefits and Charges)
Ward(s):	All
Portfolio:	Cllr Rob Anderson, Lead Member for Financial Oversight, Assets and Performance
Key decision:	Yes
Exempt:	No
Decision subject to call in:	Yes
Appendices:	1. Policy for granting – Covid Additional Relief Funding (CARF) - NNDR

1. Summary and Recommendations

- 1.1 The purpose of this report is to consider how support through the CARF scheme should be awarded to businesses and agree the Council's scheme. Awards will relate to liabilities for the 2021/22 financial year only.

Recommendations:

Cabinet is recommended to approve the proposed CARF scheme (Appendix 1).

Reason:

Funding has been provided via central Government to support businesses within the borough who have been impacted by the pandemic. The Department for Levelling Up, Housing and Communities (DLUHC) has provided a further sum of money to local authorities for distribution to businesses affected by the pandemic who would otherwise be ineligible for existing support linked to business rates. This scheme is felt to be the best way in which to support existing business continue to trade and continue to provide employment within the borough, as well as being in accordance with the Government guidance.

Commissioner Review:

Commissioners support the report.

2. Report

Introduction

- 2.1 In spring 2021 businesses in the retail, hospitality and leisure sector were awarded the extended retail relief giving them a reduction of 66% from their business rates. The Government was aware that many other businesses were also adversely affected by Covid-19. As a result, the CARF was introduced. Despite announcing this in Spring 2021 the guidance was not published until December 2021. As the awards of CARF are paid as a business rates relief rather than a cash payment the Council has until September 2022 to agree and implement its scheme.
- 2.2. 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. The funding allocation to Slough Borough Council is £7,701,826.
- 2.2 The proposed scheme will assist in retaining businesses in the borough as well as attracting businesses to the borough which will provide jobs and opportunities for our residents.

Options considered

- 2.4 **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.
- 2.5 **Option 2 – Accept the grant and distribute as follows:**
 - 2.5.1 To exclude those businesses and hereditaments set out in paras 2.6, 2.7, 2.9 and 2.10 then distribute the balance of funding through a direct automatic award to all remaining businesses within the borough. Such an approach would provide for a reduction of 100% or £50,000 whichever is lower. It is estimated that this would provide £5,481k to 329 businesses.
 - 2.5.2 To reflect the specific circumstances within the borough and the impacts that the pandemic has had on local employers the Council will award a reduction of 100% or a maximum of £30,000 to eligible freight businesses. The proposed award is not as high as other businesses as the freight sector was not impacted in the same way as other businesses, but this does reflect the direct impact the slowdown of airline business from Heathrow would have had. It is estimated that this would provide £1,830k to 92 businesses.
 - 2.5.3 To retain a small amount of the funding (approximately £390k) to allow the Council to consider individual applications from businesses not paid as part of those in para 2.5 that can show they have been directly impacted by the pandemic. The total allocation of funding will not exceed the grant allocation, so this final pot of discretionary funding will be capped to the balance of grant available.

Background

2.6 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) have 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 (other than properties that have become closed temporarily due to the Government's advice on Covid 19).
- direct support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact;

2.7 In addition, Councils cannot award relief to themselves or certain precepting authorities.

2.8 It is for each authority to determine the categories of businesses that fall within their scheme and the level of relief for individual ratepayers, subject to the overall grant allocation received. The Council is not legally permitted to grant the discount to itself or parish councils within its area.

2.9 As well as those outlined in para 2.6 it is recommended that the policy also excludes the following business sectors from this relief

- financial Services - Banks, Building Societies, Insurance providers and brokers, accountancy, insolvency practitioners
- professional services – Solicitors, Architects, Surveyors, planning consultants
- storage and distribution – Warehouses, self-storage, Couriers
- Information, Communications & Technology – network and infrastructure providers, consultancy services
- public services – Gov. agencies, NHS premises, Rail Operators, Royal Mail, housing providers and
- Education – private and public schools, colleges and early years and nursery provision.

This list of examples is not definitive, and the Council will determine if a business fits into the categories above.

2.10 It is also recommended that the following hereditament types should be excluded:

- advertising right
- car parking space
- computer centres
- health centres
- photovoltaic installations
- retail warehouses
- shops
- show homes or showhouses

- superstores
- betting or gaming establishments
- adult establishments

- 2.11 The exclusions are recommended either because these are generally areas of the economy that will not have been impacted by the pandemic and either will have seen increased demand or were able to carry on without impact or are valuations for areas where they are part of infrastructure rather than actual employers.
- 2.12 The DLUHC guidance confirms the funding is available to reduce chargeable amounts in respect of the financial year 2021/22 only.
- 2.13 In line with other business support throughout the pandemic, awards are subject to overall subsidy control limitations and reporting requirements in relation to the scheme and awards made. The proposed scheme contains the recommended paragraph to ensure that applicant declare any other subsidies received.

3. Implications of the Recommendation

3.1 Financial implications

- 3.1.1 Accepting the recommendation will demand new spend of up to £7,701,826. This cost is met in full through a grant from the Department for Levelling Up, Housing and Communities.

3.2 Legal implications

- 3.2.1 Under Section 47 of the Local Government Finance Act 1988 permits the Council as billing authority to grant discretionary relief. In making a decision on a scheme, the Council must determine that is the reasonable to do so, having regard to the interests of persons liable to pay council tax set by it. The Council must also have regard to any guidance issued by the Secretary of State. Any scheme must be made within 6 months after the end of the financial year to which is applies, otherwise it will be deemed invalid. Subsection 8A confirms that section 47 does not apply to hereditaments that are excepted, which includes those occupied by the billing authority or a precepting authority.
- 3.2.2 Due to the timing of this funding, the Council will have to complete a reconciliation exercise to account of payments made in accordance with this scheme to ensure that the difference between the full allocation and the actual amounts claimed can be paid or recovered. DLUHC require local authorities to collect data to assist it in monitoring the implementation, including reporting take-up at a Parliamentary constituency level and local authority level and by special category code of the hereditament.
- 3.2.3 The guidance confirms that relief should only be applied after mandatory reliefs and other discretionary reliefs funded by a s.31 grant have been applied for, but should be applied before a local authority grants any further relief under a local funded relief scheme.

3.3 Risk management implications

3.3.1 The proposed policy gives additional opportunity to businesses to work and remain within the borough by assisting them to overcome the impacts of the pandemic that might otherwise cause the business to struggle or fail. In providing relief it allows the business to remain at the premises, continue trading in Slough.

3.3.2 Expenditure on the CARF relief is cash and time limited and will be monitored to ensure it is not overspent or incorrectly awarded.

3.4 Environmental implications

3.4.1 None

3.5 Equality implications

3.5.1 Section 149 of the Equality Act 2010 requires public bodies to pay due regard to the need to

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010.
- advance equality of opportunity between people who share a protected characteristic and those who do not.
- foster good relations between people who share a protected characteristic and those who do not.

6.3 The provision of additional relief to those businesses who have been impacted by Covid 19 should particularly help smaller businesses with much needed financial assistance. This will in turn assist businesses to continue to operate and employ local people. Therefore, this proposal should have a positive impact on working age adults.

4. Background Papers

None.