

Surrey Heath Borough Council
Executive
25 January 2022

COVID-19 Additional Relief Fund

Portfolio Holder: Finance - Cllr Robin Perry
Strategic Director: Bob Watson – Strategic Director for Finance & Customer Services
Report Author: Robert Fox – Revenues and Benefits Manager
Key Decision: Yes
Wards Affected: All

Summary and purpose

The Government has introduced a number of new measures to support business as a result of the ongoing pandemic. This follows the significant support provided through business grants and rate reliefs in 2020 and 2021.

The COVID-19 Additional Relief Fund (CARF) – announced in March 2021 but details have been delayed due to the Government legislative process until December 2021.

Government guidance has been received on 30 December 2021 for COVID-19 Additional Relief Fund (CARF) scheme rules, approval is sought for the discretionary local scheme that will be drawn up based on the Government guidelines.

The schemes offer valuable support to businesses in Surrey Heath and link to the corporate priority of Surrey Heath to support our existing businesses.

Recommendation

The Executive is advised to RESOLVE that authority be delegated to the Strategic Director Finance & Customer Services after consultation with the Finance Portfolio Holder to approve the Business Rates COVID-19 Additional Relief Fund policy, scheme rules and authorise the award of the relief.

1. Background and Supporting Information

- 1.1 The Government has introduced a number of new measures to support business as a result of the ongoing pandemic
- 1.2 The new measures are:

- 1.2.1 The Omicron Hospitality and leisure grants which were announced by the Government on 21 December 2021
 - 1.2.2 A top up grant for the Additional Restrictions Grant scheme (ARG) – this is a top-up to the existing discretionary grant scheme currently in operation.
 - 1.2.3 The COVID-19 Additional Relief Fund (CARF) – announced in March 2021 but details have been delayed due to the Government legislative process until December 2021.
- 1.3 The Department for Business, Energy and Industrial Strategy (BEIS) have distributed scheme guidance and are fully funding the latest mandatory scheme (called the Omicron Hospitality and Leisure Grant Scheme). Grants of £2,667, £4,000 and £6,000 will be paid to businesses operating in the Hospitality and Leisure sectors subject to the rateable value of the premises they occupy.
 - 1.4 As part of the previous COVID response the Government also provided additional grant funding for those businesses that did not meet the mandatory scheme criteria. This Additional Restrictions Grant (ARG) scheme was discretionary and as part of the Omicron response a top up has been awarded. The third top-up of ARG funding allocated to Local Authorities in England from 30 December 2021 will be utilised to support businesses from all sectors that may have been severely impacted by restrictions, or by the Omicron variant, including those outside of the business rates system.
 - 1.5 These may include, but are not limited to: hospitality, accommodation, leisure, personal care, the travel and tourism sector, including group travel, travel agents and tour operators, coach operators, wedding industries, nightclubs, theatres, events industries, wholesalers, English language schools, breweries, freelance and mobile businesses (including caterers, events, hair, beauty and wedding related businesses), gyms, and other businesses that may have not received other grant funding. The amount of funding for this scheme has not yet been confirmed. This element of grant funding is controlled by Economic Development
 - 1.6 The Government announced, as part of the Budget in March 2021, that funding would be made available for Local Authorities to award COVID-19 Additional business rates relief to businesses for the 2021-22 tax year only (called the COVID-19 Additional Relief Fund or CARF).
 - 1.7 Surrey Heath borough Council is set to receive £ £2,381,265 as relief on business rates liability. The composition of the scheme is discretionary but in order for the Council to be reimbursed for the awarding of the relief the authority must:
 - 1.7.1 not award relief to ratepayers who for the same period of the relief either are or would have been eligible for the Extended Retail Discount (covering Retail, Hospitality and Leisure), the Nursery Discount or the Airport and Ground Operations Support Scheme (AGOSS)

- 1.7.2 not award relief to a property which is unoccupied (unless unoccupied as a result of government COVID guidance)
- 1.7.3 ensure the support is directed towards customers adversely affected by the pandemic
- 1.8 The Government guidance dictates that local authorities will be responsible for administering the Covid Additional Relief under section 47 of the Local Government Finance Act 1988. This means that Surrey Heath Borough Council will need to design a discretionary scheme to deliver the relief, which is a key decision as it affects all wards in the Surrey Heath area.
- 1.9 The Revenues Team have begun by modelling discretionary schemes to enable a draft policy to be presented.
- 1.10 It is expected that the draft policy will be available for presentation on or before 25 January 2022.

2. Reasons for Recommendation

- 2.1 There is an urgent need to put in place the support for these businesses in these difficult times. The Omicron Hospitality and Leisure grants and CARF schemes will add a minimum value of over £2.5 million for businesses within the Borough.
- 2.2 The need to delegate approval for the CARF scheme will help to ensure that the support is provided as quickly as possible. The Council has now received Government guidelines, funding to be confirmed but the Government is still clarifying its expectations and the guidelines. Executive approval is required otherwise there maybe delays in getting much needed cash out to those business affected.

3. Proposal and Alternative Options

- 3.1 That the Executive approve the delegation of powers to allow the Strategic Director Finance & Customer Services in consultation with the Finance Portfolio Holder to approve the Business Rates COVID-19 Additional Relief Fund policy (CARF), scheme rules and authorise the award of the relief.
- 3.2 The alternative is to wait for the finalised Government guidance to be received and present the draft policy to 15 February 2022 Executive meeting.

4. Contribution to the Council's Five Year Strategy

- 4.1 Economy - To invest in our towns, villages and communities, supporting our existing businesses and attracting new ones.

5. Resource Implications

- 5.1 The Omicron Hospitality and Leisure grant scheme is fully funded by Central Government with the Local Authority being fully reimbursed for all grants paid under section 31 of the Local Government Act 2003.
- 5.2 The business rates COVID-19 Additional Relief fund scheme (CARF) is fully funded by Central Government with the Local Authority being fully reimbursed for all relief awarded under section 31 of the Local Government Act 2003.
- 5.3 Additional staffing and resource costs will be covered by new burdens funding by BEIS. The amount of this funding has not yet been confirmed.

6. Section 151 Officer Comments:

- 6.1 The Council is acting as an agent of central government and all budgetary implications will be met by funding from BEIS.

7. Legal and Governance Issues

- 7.1 The introduction of a discretionary policy requires approval by the Executive and the Executive may delegate authority to a Council Officer.

8. Monitoring Officer Comments:

- 8.1 A new policy to provide discretionary relief as described in this report, is a key decision because it will be significant in terms of its effects on communities living or working in two or more wards within the Council's administrative area.

9. Other Considerations and Impacts

Environment and Climate Change

- 9.1 No matters arising at this time

Equalities and Human Rights

- 9.2 The implementation of a discretionary grant scheme based on Department for Levelling Up, Housing and Communities guidance in respect of reducing business rate liability for qualifying business rate payers is not expected to identify any adverse effects to those with protected characteristics

Risk Management

- 9.3 The CARF business rates relief scheme will be administered in accordance with BEIS scheme rules and the discretionary scheme rules agreed by delegation by the Portfolio Holder. The Revenues Service team have previous experience of administering these grant and relief schemes.
- 9.4 Processes have been established to ensure pre and post assurance and grant checks are carried out to minimise fraud and error. Sufficient resource has been identified to ensure the grants and reliefs are awarded in an

appropriate time scale. BEIS are likely to conduct their own post payment assurance checks, as they have done with previous grant schemes.

Community Engagement

9.5 No matters arising at this time

Annexes

None

Background Papers

Omicron Hospitality and Leisure grant details:

<https://www.gov.uk/guidance/check-if-youre-eligible-for-the-omicron-hospitality-and-leisure-grant>

ARG grant details:

<https://www.gov.uk/guidance/check-if-youre-eligible-for-the-coronavirus-additional-restrictions-grant>

CARF relief details:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1041468/CARF_LA_Guidance.pdf