

Report to Council

9 February 2022

By the Chief Executive

FOR INFORMATION



Not exempt

Grant Decisions Arising from the COVID-19 Emergency

Executive Summary

The Chief Executive reports to Council on two decisions that he made during January using his emergency powers. The first of these was a further change to the policy for allocating Additional Restrictions Grant. This change arose because the Government reopened the scheme to applications during the January 2022 restrictions. The second was the adoption of a discretionary business rates relief policy required by the Government to give business rate relief to businesses affected by COVID-19 in the 2021/22 financial year but not covered by its previously awarded Retail, Leisure and Hospitality reliefs.

In addition the Department for Levelling Up, Housing & Communities (DLUC) informed us on 31 January 2022 that we would receive £115,721 as part of our share of the national £28.1m Protect and Vaccinate grant. This report recommends Council approve setting up a budget to allow our Housing Service to spend this grant.

Recommendations

The Council is recommended:

- i) To note the amendments to the Additional Restrictions Discretionary Grant scheme and the adoption of a policy for the allocation of the COVID-19 Additional Relief Fund made by the Chief Executive under his Head of Paid Service powers outlined in section 3.
- ii) To create a new budget of £115,721 in Housing to be used for services specified under the Protect and Vaccinate Grant from Department for Levelling Up, Housing & Communities.

Reasons for Recommendations

- i) The decisions reached by the Chief Executive allowed the swift reopening of the Additional Restrictions Grant scheme and a quick start to the business rates relief scheme, helping our businesses and meeting the Government's requirements.
- ii) The Protect and Vaccinate grant will help to provide safe accommodation for as many people rough sleeping as possible and support them to get their vaccinations.

Background Papers

None

Wards affected:

All.

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Background Information

1. Introduction and Background

- 1.1. Since the start of the COVID-19 emergency, the Government has issued grants to the Council to pay directly to businesses and instructed us to issue business rate reliefs using our discretionary powers. As Council knows, the guidance on these grants and reliefs tends to come with very short implementation times and has generally not been possible to bring the policy changes through Cabinet and Council in the time available. Therefore, on several occasions during the pandemic the Chief Executive used his emergency powers to implement the changes needed and report to Council later about the use of those powers. In December 2021 and January 2022, the Government issued further additional restrictions grant money and guidance and introduced a COVID-19 Additional Relief Fund for businesses liable for business rates in 2021/22 that had not previously received relief. The Chief Executive, therefore, amended the Additional Restrictions Grant scheme and prepared a new COVID-19 Additional Relief Fund scheme. The Additional Restrictions Grant scheme is the same as that used across West Sussex districts and boroughs. Agreement on the design of the Relief Fund was not possible across West Sussex districts and boroughs because some, including ourselves, felt this scheme, written by Mid Sussex District Council officers, required too much detailed evaluation of businesses' accounts and we did not have the employees to do this work. Therefore, the Chief Executive adopted the scheme drafted and implemented originally by Milton Keynes' Council, our Revenues and Benefits partner authority.
- 1.2. The Department for Levelling Up, Housing & Communities told us on 31 January 2022 that we would receive £115,721 as part of our share of the national £28.1m Protect and Vaccinate grant. The Government is issuing this grant to help Council's provide emergency winter accommodation for those sleeping rough and help them receive COVID-19 vaccinations.

2. Relevant Council policy

- 2.1. Having a thriving local economy and having strong safe healthy communities are two of the five key priorities in the Council's Corporate Plan.

3. Details

3.1. Additional Restrictions Grant

- 3.1.1. The changes to the Additional Restrictions Grant were to include some new sums for applicants for the winter 2021/22 period these were:

Hospitality & leisure - Mobile sole trader /market trader/taxi driver/home-based worker	£500
Hospitality & leisure business non - ratepayer rent of up to and including £15k	£1,334
Hospitality & leisure business non - ratepayer rent of over £15k & less than £51k	£2,000
Hospitality & leisure business non - ratepayer rent of over £51k	£3,000

Eligible business ratepayer (non H & L) with RV of up to and including £15k	£2,667
Eligible business ratepayer (non H & L) with RV of over £15k and under £51k	£4,000
Eligible business ratepayer (non H & L) with RV of over £51k	£6,000

3.1.2. The Government gave the Council an extra £335,125.38 to support businesses from 30 December 2021 to 31 March 2022. The scheme opened on 17 January 2022. Take-up has been low so far. Businesses can apply for this scheme until 31 March 2022.

3.2. COVID-19 Additional Relief Fund

3.2.1. Full details of the new Additional Relief Fund grant are in appendix A. This fund, totalling £3,133,247 now assists businesses that pay business rate relief, were severely impacted by 2021/22 lockdowns and restrictions and were not able to access the reliefs offered to businesses shown on the Valuation Office Agency's list of Retail, Leisure and Hospitality Businesses. This includes businesses who work in Retail, Leisure and Hospitality but the rating list showed them as warehouses, as well as businesses impacted in other ways. Businesses can apply for this scheme until 30 September 2022.

3.3. Protect and Vaccinate Grant

3.3.1. Under the Constitution only full Council can set up a budget. The Council needs to set up a budget to allow Housing to spend this grant on much needed support for people who sleep rough. Most of this will be used in keeping Rough Sleepers indoors throughout the winter.

4. **Next Steps**

4.1. The schemes will run until their end date on 31 March 2022 for Additional Restrictions Grants or 30 September 2022 for COVID-19 Additional Relief Fund. Any residual money will be returned to Government. If the money runs out before these dates the schemes will cease.

4.2. Once the budget for Protect and Vaccinate is in place Housing will use it to fund accommodation for people who do sleep rough in our area. These individuals have been inside since the beginning of December under a previous grant scheme. By having the rough sleepers in a known location Housing are better able to work with these individuals to regularise their lifestyles including obtaining the COVID-19 vaccinations.

5. **Outcome of Consultations**

- 5.1. The Cabinet Lead for Finance was consulted on, and supportive of, the use of the Chief Executive's emergency powers to make quick changes to the Additional Restrictions Grant policy and quick implementation.

6. Other Courses of Action Considered but Rejected

- 6.1. The Chief Executive could have deferred these decisions on the new schemes until tonight's meeting. However, this would have led to extended hardship for businesses and criticism from Government.
- 6.2. The Chief Executive could have set up the budget for Protect and Vaccinate but given the timing of the announcement it was possible to leave the decision to be made by Council in the usual way.

7. Resource Consequences

- 7.1. The work will continue to impact the workloads of the Council's Economic Development and Finance teams as well as our Revenues and Benefits Service.
- 7.2. All three schemes will have no net impact on the Council's 2021/22 financial position because any residual grant will return to the Government.

8. Legal Consequences

- 8.1. The actions taken to date have been in line with the Chief Executive's emergency powers in paragraphs 3.5.1 2 c) and 3 of the Constitution.
- 8.2. All changes to the budget framework, including adding grant money, are a reserved matter of full Council.

9. Risk Assessment

- 9.1. The issuing of the Additional Restrictions Grants Discretionary Scheme carries a high risk of fraud. Employees run the grants through the Government's Spotlight fraud checking software and Milton Keynes' internal audit have carried out a 20% spot check of claims to mitigate the risk.

10. Procurement implications

- 10.1. Because these decisions relate to grant payments or business rate reliefs direct to businesses there are no procurement implications.

11. Equalities and Human Rights implications / Public Sector Equality Duty

- 11.1. The continuation of the Additional Restrictions Grants Discretionary Scheme and the Additional Relief Fund will lessen the impact of the COVID-19 lockdown and recession on businesses, their owners and employees. Some owners and employees will have protected characteristics. Any spend on projects or grants is, therefore, likely to have positive impact on people with protected characteristics.

11.2. The Protect and Vaccinate grant will help people who sleep rough in our area. This should have a positive impact on their mental health, any additional problems they may have and enable Housing to continue to work with them to improve their life chances while they are in a known location. A known location also means a better chance of achieving COVID-19 vaccinations for this group and reducing these vulnerable individuals' risk of death or serious illness from the disease.

12. Environmental Implications

12.1. There were no environmental implications from these decisions.

13. Other Considerations

13.1. There were no other considerations arising from these decisions.

Covid19 Additional Relief Fund (CARF)

Guidance for applications to Horsham District Council

January 2022

Introduction

1. This guidance is intended for businesses liable for business rates in 2021/22 only applying to Horsham District Council (the Council) for a discount from their liability in accordance with the government's COVID19 Additional Relief Fund (CARF), announced on 15th December 2021. Only businesses occupying a property shown in the rating list and liable for business rates in 2021/22 are eligible to apply for the discount. It will be applied only to any liability for 2021/22 and any determination by the Council must be made by the 30th September 2022.
2. The Council has been allocated relatively limited funds from the government for this discount. It is expected therefore that most relief allocations to successful applicants will be limited to a certain percentage, which means that businesses who do qualify will still have business rates to pay. The application process is likely to be oversubscribed with many more relief applications compared to funds available. In order to ensure fairness of allocation, the Council will operate an application window and once closed, will determine the amount to be awarded in each case.
3. This guidance sets out the criteria under which businesses will qualify to make an application to the COVID19 Additional Relief Fund (CARF), and the evidence required to support an application, and is aligned with the government guidance issued on 15th December 2021 and any revisions, which can be found via this link:- [CARF Guidance \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/102442/carf-guidance.pdf)

Scope and Eligibility

4. The government has stated that Billing authorities will be responsible for designing the discretionary relief schemes that are to operate in their areas. However, in developing and implementing their schemes local authorities:
 - a. must 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),
 - b. must not award relief to a hereditament for a period when it is unoccupied (other than hereditaments which have become unoccupied temporarily due to the government's advice on COVID-19), and
 - c. should direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.

5. In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, billing authorities may not grant the discount to themselves, to a precepting authority, or to a functional body within the meaning of the Greater London Authority Act 1999.
6. To be eligible for relief the business must be a ratepayer liable and occupying the property for business rates in Horsham DC during the financial year 2021/22.
7. Businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for this relief.
8. The relief will be awarded after all other discounts and reliefs and as such, if there is no business rates liability or other business rates relief already granted to the business during the relief period the business will not be eligible for this relief.
9. The Council will assess by way of application whether a ratepayer has been adversely affected by the pandemic and has been unable to adequately adapt to that impact.
10. Rateable properties which have become closed temporarily due to the government's advice on COVID-19, will be treated as occupied for the purposes of this relief.

Evidence Required for Discretionary Discount application

11. Applicants will need to provide:
 - Confirmation that the business has not received any relief or discount under the relief schemes mentioned in section 4a above.
 - Confirmation that they meet the eligibility criteria mentioned in section 4c above.
 - Confirmation of Subsidy Allowance compliance.

Subsidy Allowance

12. There is a requirement for all grants made under this Discretionary Grants fund to be subsidy allowance compliant. Please see further government guidance on this via this link (Section 19-29): [CARF Guidance \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/90442/carf-guidance-19-29.pdf)

How relief will be provided

13. The Council will be responsible for evaluating COVID19 Additional Relief Fund applications, selecting the successful business applicants and then administering and delivering relief to those successful applicants.
14. The Council will endeavour, subject to due diligence checks, to make awards as quickly as possible to support successful business applicants, who are struggling financially.

How much funding will be provided to successful businesses?

15. Due to the limited level of funding available, the Council will operate an application window and once closed, will determine the amount to be awarded in each case.

16. In order for the COVID19 Additional Relief Fund to benefit the maximum number of businesses, it is proposed to have 3 levels of relief awards, directly proportionate to the relative impact on the trading sector of the business due to the COVID19 crisis. The impact will be measured by using the change in Gross Value Added (GVA) as a proxy for the economic impacts of COVID-19 on each business sector as detailed in Annex A of the Government guidance [CARF Guidance \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/104222/carf-guidance.pdf) .
17. The level of discount will be allocated proportionately based on low, medium and high impact as assessed by the Council. The specific level of relief that will be awarded to each category will be based on the quantity of applications and the funding available.
18. The level of funding for these discretionary reliefs will be decided by the Council within the above guidelines. There will be no review of this decision and no right to appeal.

The Application Process

19. The application process will be administered through the Council's website and portal.
20. Email or paper applications will not be accepted.
21. The electronic application process will allow the Council to evaluate the applications, undertake pre-award checks to confirm eligibility and to allow the Council to assess the level of relief for each case.
22. Applicants need to state when applying online that by accepting the relief payment, the business confirms that they are eligible for the relief scheme, including that any relief accepted will be in compliance with Subsidy Allowance requirements.
23. The application window will be open from 31/1/2022 to 13/3/2022. This will be followed by an assessment period that will be completed as soon as possible afterwards.
24. If further funding is provided by the Government or funding is unspent there will be further application rounds. Businesses that received relief funding previously in a previous round will be ineligible from any further relief application.
25. As a condition of relief being awarded we will expect the business applying to sign a declaration stating that they are not committing any fraud and that they are fully complying with any subsidy allowance limits, as well as giving the Council permission to share data to check such compliance and that these guidelines are complied with.

Award of Relief

26. All awards of this relief will be by a discount applied to the 2021/22 rates liability.
27. No cash payments will be made, except where the application of the discount to the rates liability results in an overpayment on the rate account. In these cases, refunds will be issued as soon as possible following the award.

28. If any court or enforcement costs have been incurred during 2021/22, the relief will initially be taken to cover such costs

Managing the risk of fraud

29. The Council will not accept deliberate manipulation and fraud - and any business caught falsifying their records to gain relief awarded will face prosecution and any relief awarded will be removed from the account without reference to the ratepayer. This will then be subject to collection and enforcement activity as set down in legislation.
30. All information is subject to internal and external audit check, as well as Government body check.

Sharing Information

31. By applying for a COVID19 additional relief all applicants give authority to administering Local Authorities to share data for efficient system administration and to protect the Public Purse, subject to the GDPR. This will include sharing data with other Local Authorities.
32. The Council will be required to share data with Government Departments for monitoring and other reasons. By applying for a COVID19 additional relief all applicants give authority for this.

Other Information

33. The Councils do not accept any liability for any issues that may arise for businesses because of applying for, receiving, or not receiving relief awards under this scheme.