

Extended Support To Businesses As A Result Of The Covid-19 Coronavirus
COUNCILLOR DAVID SEATON, CABINET MEMBER FOR RESOURCES
June 2020
Deadline date: N/A

Cabinet portfolio holder: Responsible Director:	Councillor David Seaton, Cabinet Member for Finance Peter Carpenter, Interim Corporate Director Resources
Is this a Key Decision?	YES – Urgency Procedures Invoked
Is this decision eligible for call-in?	YES Has this Item been Included on the Forward Plan? NO – Urgency Procedures Invoked
Does this Public report have any annex that contains exempt information?	NO

R E C O M M E N D A T I O N S

The Cabinet Member is recommended to:

1. Approve the additional payment of grants as requested by government and as set out by the full guidance provided by government departments including the additional categories as referred to in paragraphs 7.4 to 7.5 under the councils discretionary powers;
2. Instruct officers to ensure that the payments are processed in accordance with the agreed schemes for the qualifying properties and rebilling takes place at the earliest opportunity and that any further categories as advised by government to be included within the scheme are also processed at the earliest opportunity;

1. SUMMARY OF MAIN ISSUES

- 1.1 In response to the coronavirus (COVID-19) the government have made changes to many aspects of the economy providing support to businesses and individuals in various ways. As part of these measures the government are providing support to some businesses in a number of ways which are either linked to or directly reduce the business rate liability.
- 1.2 Although the government will fully fund these additional payments and reliefs through the use of grants payments are for local authorities to administer. The government are not making amendments to the primary legislation governing these payments as they are for one year only and are instead asking authorities to use their discretionary powers to administer them, which is in line with previous schemes albeit on a much smaller scale.

2. PURPOSE OF THIS REPORT

- 2.1 This report is for the Cabinet Member for Finance to consider the various relief and payments to be given to business ratepayers under paragraph 3.4.3 of Part 3, Section 3 of the constitution in accordance with the terms of their portfolio at paragraph (h).
- 2.2 With the approval of the Chairman of Growth, Environment, and Resources Committee, the urgency procedure, special urgency procedure, and waiver of call-in procedure have been invoked to suspend the requirement to publish notice of the decision for 28 days, to suspend the requirement to publish the decision for five days, and to subject the decision to a three day call-in period. These procedures have been invoked due to the potential for the scheme to become oversubscribed. The Council only have circa £1.47m of funding but potentially 2,000 to 3,000 possible applicants. This is why the Council have proposed a 2 week application process and then will distribute funds after this point when all the applicants have been validated.

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	N/A
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4. DETAILS OF DECISION REQUIRED

- 4.1 In April 2020, the Cabinet Member for Finance approved additional Grants and Reliefs for Business due to the COVID-19 emergency through the Council's discretionary Scheme. Further Grants are now available and as such they need to be added to the Council's discretionary scheme in order for payment. The additional grants as requested by government and as set out by the full guidance provided by government departments now includes the additional categories as referred to in paragraphs 7.4 to 7.5 under the Councils discretionary powers.
- 4.2 Instruct officers to ensure that the payments are processed in accordance with the agreed schemes for the qualifying properties at the earliest opportunity and that any further categories as advised by government to be included within the scheme are also processed at the earliest opportunity.

5. CONSULTATION

- 5.1 Consultation is not required but discussions have been held with the Local Taxation section.

6. ANTICIPATED OUTCOMES

- 6.1 When the measures are agreed, the relevant payments will be processed and the business will see the financial benefit for 2020-21 in order to assist with financial pressures arising from the covid-19 outbreak.

7. REASONS FOR RECOMMENDATIONS & ANY RELEVANT BACKGROUND INFORMATION

- 7.1 Due to the coronavirus outbreak the government have over the last few Months, commencing with the chancellors budget on 11th March with further updates more recently, made significant changes to the level of support they are providing to business within certain sectors.
- 7.3 As the major reliefs are again for one year only the Government is not changing the primary legislation covering the reliefs available to properties. Instead the Government will, in line

with the eligibility criteria set out in the guidance, reimburse local authorities that use their discretionary relief powers, under section 47 of the Local Government Finance Act 1988 (as amended) to grant relief. The reimbursement to authorities will be provided by payments to be credited to the general fund with grants under section 31 of the Local government Act 2003.

7.4 The effect of the various announcements has resulted in the following additions to grants and reliefs already approved for 2020/21:

7.4.1 Cash Grants

Following the implementation of the BEIS Grants (approved in April) the Government has allocated the Council further funding for allocation to businesses based on the criterion set out in Appendix A.

At a high level this sets out that the Council will prioritise grant payments to those organisations who fit within the policy intentions of Central Government and who occupy the following property types:

- Small businesses in shared offices or other flexible workspaces
- Regular market traders with fixed building costs, such as rent who do not have their own business rate assessment. The Council would consider these to be traders with a current rental agreement of no less than 6 months.
- Bed & Breakfast accommodation which pay Council Tax instead of Business Rates.
- Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief.

If funding remains after the initial allocations to those sectors in paragraph 10 it will then be allocated to businesses and charities in the following 2 areas:

- Businesses and charities who have supported the Council with its delivery of Coronavirus support to local communities
- *Businesses and charities who support and/or supply the Retail, Hospitality and Leisure sectors but who are not eligible for grant funding under those schemes*

There will be a defined timeline for receipt of applications under this scheme, applications will not be permitted after the window has closed:

- Applications open – **15/06/2020**
- Application window closed – **26/06/2020**

7.5 For all the grants the respective government departments are providing detailed guidance covering all aspects of the measure including eligibility criteria, funding arrangements, reconciliation processes etc which to be followed when implementing the grant payment.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 None have been considered as there are no other realistic options to deal with this issue.

9. IMPLICATIONS

Finance

9.1 The full details of this revised grant is known and set out in detail in Appendix A. The gross cost of the measures will be significant however the overall net impact on the councils general fund will be neutral as the government have undertaken to fully fund them. In addition the government have committed to providing new burdens funding to cover the administrative costs of dealing with these reliefs and grants.

9.2 Estimated payments of this new grant Scheme is estimated at £1.47m.

Legal

9.3 Awards of relief under these schemes are granted under the discretionary relief scheme which is detailed in s47 Local Government Finance Act, as inserted by Section 69 of the Localism Act 2011.

9.4 Awards of discretionary relief to the rate payers outlined within section 7 of this CMDN are allowed under s47 Local Government Finance Act 1988 (as amended by the Local Government Act 2003) and the Local Government and Rating Act 1997.

Carbon Impact Assessment

9.5 There are no carbon impact implications to consider.

10. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

None.

11. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information Act 1985) and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

11.1 There are no additional documents.

12. APPENDICES

12.1 Appendix A - Guidance for applications to Peterborough City Council Local Authority Discretionary Grants Fund