

Notice of KEY Executive Decision (Special Urgency)

Subject Heading:	Business Rates Covid Additional Relief Fund & Omicron Hospitality & Leisure Grants
Cabinet Member:	CLlr Roger Ramsey, Cabinet Member for Finance and Property
SLT Lead:	Jane West
Report Author and contact details:	Jane West, Chief Operating Officer jane.west@havering.gov.uk
Financial summary:	The financial implications are unknown at this stage for much of the matters set out in this report but additional government funding is being provided to councils, although the likely full extent of this is still unknown as well.
Reason decision is Key	<i>(c) Significant effect on two or more Wards</i>
Date notice given of intended decision:	

Key Executive Decision

Relevant OSC:	Overview and Scrutiny Board
Is it an urgent decision?	Yes
Is this decision exempt from being called-in?	<i>This is a decision pursuant to para 11 of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, made under “special urgency” with the consent of the Chair of the Overview and Scrutiny Board. This matter is urgent due to the limited time available to distribute Grants and Relief to businesses and the decision cannot reasonably be deferred.</i>

The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input type="checkbox"/>
Places making Havering	<input type="checkbox"/>
Opportunities making Havering	<input checked="" type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

COVID-19 has presented a significant and unprecedented challenge for businesses. Since the start of the pandemic the Government's response to support businesses has been of a similarly unprecedented scale. The Government has provided over £400 billion of direct support to the economy during this financial year and last, which has helped to safeguard jobs, businesses and public services in every region and nation of the UK through the pandemic. The Government's support has included making £16 billion available to provide business rates relief for retail, hospitality and leisure properties, given the direct impact of COVID-19 and the Government's interventions on businesses in these sectors.

On 21 December 2021 the Government announced a new COVID-19 Additional Relief Fund (CARF) of £1.5 billion. The fund will be available to support those businesses affected by the pandemic but that are ineligible for existing support linked to business rates.

On 21 December 2021, Government announced the introduction of a further grant support for hospitality and leisure businesses in England.

Recommendations

1. That the council approve the administration of the Government's Covid19 Additional Relief Fund, and to delegate any further amendments to the Chief Operating Officer in consultation with the Lead Member.
2. That the Council approve the payment of grants in accordance with the Government's Omicron Hospitality and Leisure scheme.

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3 of the Constitution- Responsibility for Functions:

Section 2 Executive Functions

The Leader of the Council is responsible for arranging for the exercise of all executive functions and may by way of written notice delegate Executive functions to:

1. Cabinet
2. A committee of the Cabinet
3. Individual Cabinet Members
4. Staff
5. Joint Committees

And may exercise any Executive functions personally provided notice is given to the Proper Officer.

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In this instance in accordance with para. 2.2 (a) (i) to take decisions relating to the Councils finances including but not exclusively budget control

STATEMENT OF THE REASONS FOR THE DECISION

1 Covid Additional Relief Fund

1.1 On 21 December 2021, Government announced that the £1.5 billion will be allocated to local authorities based upon the estimated rateable value in each local authority rating list which falls within the scope of the fund. On this basis the Council have been allocated **£4,646,200**.

1.2 The Government is not changing the legislation relating to the business rates reliefs available to properties. Instead, the Government will, in line with the eligibility criteria, reimburse local authorities where relief is granted using discretionary relief powers under section 47 of the Local Government Finance Act 1988. Individual billing authorities are required to adopt a local scheme and determine in each individual case whether, having regard to this guidance and their own local scheme, to grant relief under section 47. The relief is available to reduce chargeable amounts in respect of 2021/22.

1.3 CARF will be an application based scheme ensuring that applicants comply with the subsidies chapter within the UK-EU Trade and Cooperation Agreement (TCA).

1.4 Central government will fully reimburse local authorities for discretionary relief awards which comply with their guidance up to the maximum level of the allocations. Because billing authorities have completed their NNDR1s for 2021/22 already, payments to major precepting authorities will be unaffected by the award of the relief. Therefore, within the year billing authorities only will be provided with "on account" section 31 payments covering the full amount of relief awarded to ensure that their cash flow is not affected

1.5 After the end of the year, billing authorities will also be asked to provide outturn data on the actual total cost of providing the relief via the NNDR3 forms for 2021/22. The loss of income resulting from the relief for each billing authority and major precepting authority will be reconciled against the on-account payments made over the course of the year and any difference will be paid or recovered.

1.6 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 must, if they are funding the relief from the section 31 grant:

a. 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. not award relief to a hereditament for a period when it is unoccupied (other than hereditaments which have become closed temporarily due to the government's advice on COVID-19, which should be treated as occupied for the purposes of this relief), and

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c. direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.

1.7 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, certain precepting authorities (e.g. a parish or county council) or a functional body, within the meaning of the Greater London Authority Act 1999.

1.8 In line with previous government schemes it is proposed that the Councils allocation will be aligned and awarded to eligible properties depending on their rateable value:

1.9 There are 6,062 hereditaments on the rating list of which 1,361 are eligible for the new CARF relief. These businesses have a combined collectible debit of over £44.3m.

1.10 We have received £4,646,200.00 in funding for this relief which equates to approximately 10% of the debit due.

1.11 It is therefore proposed that the allocation is made according to the rateable value of the business property.

Table 1

Rateable Value	Eligible Properties	Relief	Amount
RV <= 15000	437	80%	£1,045,756.30
RV > 15000 & < 51000	558	40%	£2,915,061.36
RV >= 51000	366	10%	£685,382.34

2 Omicron Hospitality & Leisure Grants

2.1 The scheme provides support to hospitality, leisure and accommodation businesses, in recognition that the rise of the Omicron variant means that some businesses have struggled over the past few weeks.

2.2 This support will take the form of a one-off grant funding scheme. The funding is to be made available in the Financial Year 2021-2022 and can be used in Financial Year 21/22 only. The scheme is called the Omicron Hospitality and Leisure Grant and is administered by business rate billing authorities in England.

2.3 Funding will be made available to all Local Authorities from January 2022. The scheme will close for applications on **28 February 2022** and all final payments must be made and dispersed to recipients by **31 March 2022**.

2.4 Under the Omicron Hospitality and Leisure Grant scheme, Local Authorities will receive funding to be allocated in one-off grants to businesses. Grants of up to £6,000 will be paid to hospitality, leisure and accommodation businesses in England.

2.5 The Omicron Hospitality and Leisure Grant scheme is for businesses on the

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Valuation Office Agency (VOA) ratings list only. The Omicron Hospitality and Leisure Grant is a one-off grant.

2.6 Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £15,000 or under on 30 December 2021 will receive a payment of £2,667.

2.7 Businesses occupying hereditaments appearing on the local rating list with a rateable value over £15,000 and less than £51,000 on 30 December 2021 will receive a payment of £4,000.

2.8 Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or over on 30 December 2021 will receive a payment of £6,000

OTHER OPTIONS CONSIDERED AND REJECTED

This request is made to enable the Council to administer the Covid Additional Relief Fund & the Omicron Hospitality & Leisure Grants, in accordance with the Governments Guidance.

PRE-DECISION CONSULTATION

Councillor Ramsey, and Theme Board.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Jane West

Designation: Chief Operating Officer

Signature:

Date:

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

In response to the on-going Coronavirus pandemic, the government has made additional support for businesses available by way of a grant provided under section 31 of the Local Government Act 2003.

Local Authorities may rely on the General Power of Competence in section 1 of the Localism Act 2011 to administer the Covid Additional Relief Fund (CARF) to eligible businesses. This should be undertaken in accordance with the government guidance, which sets out the eligibility criteria and recommended prioritisation of various categories of business.

Subsidy Control (Formerly State Aid)

Payments under the Omicron Hospitality and Leisure Scheme and relief under the CARF Scheme are likely to be subsidies caught by the UK's international subsidy control obligations. Subject to conditions, subsidy allowances are available for each Scheme as follows:

	Omicron Hospitality and Leisure Scheme	CARF Scheme
Small Amounts of Financial Assistance Allowance £335k	X	X
COVID-19 Business Grant Allowance £1,900,000 per single economic actor	X	
COVID-19 Business Grant Special Allowance £10,000,000 per single economic actor	X	
COVID-19 Additional Relief Fund Allowance £1,900,000 (maximum cumulative relief including SFA and Business Grants relief £2,243,000)		X
COVID-19 Additional Relief Fund Further Allowance £10 million of additional allowance		X

When awarding the subsidies, the Council should follow the BEIS Guidance to Local Authorities on payment of the Omicron Hospitality and Leisure Grant; and the COVID-19 Additional Relief Fund (CARF): Local Authority Guidance. Subsidies paid should be published on the BEIS transparency database.

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FINANCIAL IMPLICATIONS AND RISKS

Central government have committed to reimburse local authorities for reliefs and Grants awarded in accordance with S47 Local Government Finance Act 1988, and made under the Covid Additional Relief Fund, and Omicron Hospitality & Leisure Grants. Local Authorities will be reimbursed through the Section 31 mechanism.

An application process will allow the council to undertake prepayment checks to confirm eligibility relative to their local scheme and to allow each discretion in relation to the appropriate level of grant. The council will be expected to carry out due diligence checks when paying the grants. There will be post payment reporting processes established to ensure the council reports to BEIS as will the previous support grants and reliefs to businesses.

The cost of administering the scheme is yet to be established but the cost for the previous process was around £20,000.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are no HR implications arising from this report.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

An EqHIA (Equality and Health Impact Assessment) is usually carried out when a proposed or planned activity is likely to affect staff, service users, or other residents. It is acknowledged that due to the urgency of the threat posed by the coronavirus, it will not be possible to carry out an EqHIA in advance of these decisions being made but they are considered to be of low risk and of benefit to those in need.

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HEALTH AND WELLBEING IMPLICATIONS AND RISKS

The purpose of this decision is to protect businesses, families and individuals from the impact of Coronavirus.

BACKGROUND PAPERS

Appendix A – BEIS Local Restrictions Support Grant

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me as the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Delete as applicable

Details of decision maker

Signed 

Name: Cllr Damian White, Leader of the Council

Date: 18th January 2022.

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Committee Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____