

This Report will be made public on 18 January 2022



Report Number: **C/21/68**

To: Cabinet
Date: 26 January 2022
Status: Key Decision
Head of Service: Charlotte Spendley, Director – Corporate Services
Cabinet Member: Councillor David Monk, Leader of the Council

SUBJECT: FOLKESTONE & HYTHE DISTRICT
DISCRETIONARY COVID-19 ADDITIONAL RELIEF
FUND

SUMMARY: This report sets out proposals for how Folkestone & Hythe District Council will use government funding awarded through Covid-19 Additional Relief Fund (CARF).

REASONS FOR RECOMMENDATIONS:

Cabinet asked to note the funding and government guidance regarding the new relief and agree the proposed approach to administering the relief.

RECOMMENDATIONS:

Cabinet is asked to:

1. Receive and note report C/21/68.
2. Note the scheme criteria, allocation and parameters for CARF relief provided by the Department for Levelling Up, Housing and Communities.
3. Delegate the decision on the final policy and scheme criteria for the CARF relief scheme to the Leader, with responsibility for Finance.
4. Agree that the final decision to award CARF is delegated to the Leader, in consultation with the Director of Corporate Services.

1.0 INTRODUCTION

- 1.1 On 25 March 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, for example the expanded retail discount and nursery discount.
- 1.2 Guidance was received on 15 December 2021.
- 1.3 Folkestone & Hythe District Council has been allocated £1,531,476 in funding for eligible businesses.

2 PARAMETERS SET BY THE DEPARTMENT FOR LEVELLING UP, HOUSING AND COMMUNITIES (DLUHC)

- 2.1 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 (provided within their guidance), reimburse local authorities where relief is granted using discretionary relief powers under section 47 of the Local Government Finance Act 1988. It will be for individual billing authorities, like Folkestone & Hythe District Council, to adopt a local scheme and determine in each individual case whether, having regard to the government guidance and our own local scheme, to grant relief under section 47. The relief is available to reduce chargeable amounts for business rates in respect of 2021/22.
- 2.2 Authorities 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).
- 2.3 Likewise, local authorities must 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).
- 2.4 DLUHC have specified that authorities should direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.

3 SCHEME PROPOSAL & CRITERIA

- 3.1 As a result of the short timeframe now available following receipt of the guidance, the method proposed is likely to be fairly common across Kent Authorities. The proposed policy is still being finalised and is anticipated to incorporate the following approach and criteria:
 - Establish all hereditaments that were classed as occupied on 15 December 2021.
 - Deduct all hereditaments which received expanded retail discount or nursery discount.

- Deduct all hereditaments which would have been eligible for expanded retail discount or nursery discount but opted out.
- Deduct all hereditaments that were awarded 100% Small business rates relief or rural rate relief or 80% mandatory relief and a 20% top up.
- Deduct all hereditaments occupied by the local authority, major precepting authorities and local precepting authorities.
- With the remaining data remove hereditaments that would not have been adversely affected by the pandemic i.e. financial services, pharmacies, gas/electricity suppliers etc.
- Calculate the total liability of hereditaments remaining and divide the total allocation amongst these premises. This will give a % that can be applied to each eligible account.

3.2 It is proposed that a small contingency fund is retained for future changes to rateable values or if a hereditament is omitted.

3.3 To avoid unnecessary recovery it would be preferable to apply the % discount to eligible businesses before annual billing.

3.4 Whilst there is no appeal process, ratepayers could request a judicial review.

3.5 The full scheme criteria and policy will be finalised in the coming weeks, with the decision proposed to be delegated to the Leader, with responsibility for Finance.

3.6 It is proposed that the allocation of awards is delegated to the Leader, in consultation with the Director of Corporate Services.

4 LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

4.1 Legal Officer's Comments – NM

As set out in the report the Council must adopt a local scheme and determine each case in line with government guidance.

4.2 Finance Officer's Comments - CS

The cost of the relief will be offset by the grant received from the government. By awarding relief this in turn helps the collection rate for the Council and other relevant authorities.

4.3 Equalities Officer's Comments – GE

There are no equality and diversity implications directly arising from this report. The funding awarded to the Council from the COVID-19 Additional Relief Fund (CARF) will help support those businesses within district affected by the pandemic that have been previously ineligible for existing support.

4.4 Climate Impact Officer's Comments – OF

There are no Climate Change Implications arising from this report.

4. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer:-

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