

TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

07 September 2022

Report of the Director of Finance & Transformation

Part 1- Public

Executive Non Key Decisions

1 COVID-19 ADDITIONAL RELIEF FUND (CARF)

A report seeking an amendment to the Council's policy in order to maximise the level of relief awarded

1.1 Background

- 1.1.1 The Borough Council was allocated £3,768,135 to support businesses affected by the pandemic but that were ineligible for existing support linked to business rates.
- 1.1.2 The relief was applied directly to business rates accounts to reduce chargeable amounts in respect of 2021/22 and was not a grant paid in cash.
- 1.1.3 The policy setting out the criteria for eligibility was adopted in accordance with emergency provisions on 18 February 2022 **[D220004EM]** and is attached at ANNEX 1.

1.2 Progress to Date

- 1.2.1 As at 31 July 2022, £3,438,463 has been awarded to 610 businesses.
- 1.2.2 Amounts have been awarded automatically in line with the policy criteria; it was decided 44% be awarded for certain types of property, subject to a rateable value limit of £100,000. This left approx. £30,000 as a contingency.
- 1.2.3 However, some businesses have declined the award as they did not feel they had been seriously impacted by covid and did not feel the relief was warranted.
- 1.2.4 As the relief was awarded as a percentage of the 2021/22 chargeable amount, subsequent changes to liability/valuation etc have also decreased the level of relief awarded.
- 1.2.5 The current position is that £329,672 of the original allocation remains unspent, which will be returned to Government when the deadline for awarding relief expires on 30 September 2022.

1.3 Proposed changes to the policy

1.3.1 In order to maximise the amount of relief we can award to our local businesses, and reduce the amount returned to Government, I have set out below some options for members to consider.

- Option A – do nothing more, and return the unspent money back to Government
- Option B – increase the rateable value limit to £109,999. This will provide 13 businesses with a 44% award of relief, totalling approximately £300,000
- Option C – include advertising rights in the list of eligible properties. Awarding 44% relief to the 48 assessments will total approximately £12,000

1.3.2 I considered suggesting a ‘top up’ amount of relief to existing recipients; however, I feel this will not give anyone a meaningful amount and would be administratively burdensome. I think it will be more beneficial to award the relief to new businesses with the higher amounts of relief able to make a difference to their finances.

1.4 Legal Implications

1.4.1 In accordance with the Borough Council’s local scheme, relief is granted using discretionary relief powers under section 47 of the Local Government Finance Act 1988.

1.4.2 The relief is available to reduce chargeable amounts in respect of 2021/22.

1.4.3 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.

1.5 Financial and Value for Money Considerations

1.5.1 Central government will fully reimburse local authorities (under section 31 of the Local Government Act 2003) for discretionary relief awards which comply with this guidance up to the maximum level of the allocations.

1.5.2 The Government recognises that the implementation of this policy will place an additional burden on local authorities. In accordance with the New Burdens doctrine the Government will conduct an assessment of the expected reasonable additional costs associated with the implementation of the policy, working closely with local government in doing so. No further information regarding the amount to be awarded was available at the time of writing this report.

1.6 Risk Assessment

- 1.6.1 Low risk of adverse feedback from existing recipients of relief due to the extremely low level of contact from businesses or their agents regarding awards of this relief.
- 1.6.2 As relief is awarded under the Council's discretionary powers, the formal appeal process for the ratepayer is Judicial Review; however, this is unlikely.

1.7 Equality Impact Assessment

- 1.7.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

1.8 Policy Considerations

- 1.8.1 Community.

1.9 Recommendation

- 1.9.1 Members are **REQUESTED** to consider the options listed at 1.3.1 and make a **RECOMMENDATION** on which options to take.

Background papers:

Nil

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