



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

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DATE: 10 January 2022

EXECUTIVE

Wednesday 12 January 2022

SUPPLEMENTARY AGENDA

8a COVID-19 ADDITIONAL RELIEF FUND (CARF) AND ADDITIONAL RESTRICTIONS GRANTS (ARG) THIRD TOP-UP (Pages 3 - 8)

The Leader to agree that the following report be considered as a matter of urgency due to the tight timescales to spend both funds.

Copies of the documents referred to above can be obtained from
<http://cde.bromley.gov.uk/>

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Report No.
HPR2022/002

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE

Date: Wednesday 12 January 2022

Decision Type: Non-Urgent Executive Key

Title: COVID-19 ADDITIONAL RELIEF FUND (CARF) AND ADDITIONAL RESTRICTIONS GRANTS (ARG) THIRD TOP-UP

Contact Officer: Hal Khanom, Head of Economic Development
Tel: 020 8464 3333 E-mail: hal.khanom@bromley.gov.uk

Chief Officer: Sara Bowrey, Director of Housing, Planning, Property and Regeneration

Ward: (All Wards);

1. Reason for report

On December 15 2021, the London Borough of Bromley was notified by the Government that it will receive funding of £5,315,301 for businesses from the COVID-19 Additional Relief Fund (CARF), along with initial guidance on the operation of the fund. The discretionary scheme will need to be designed and set up in early 2022, subject to further guidance and clarification on the scheme from the Department for Levelling Up, Housing and Communities, including when the funding must be spent by.

The Government has also announced the third top-up of ARG funding of £102 million will be allocated to Local Authorities in England from 30 December 2021. The funding will be allocated based on a per-business calculation and must be spent by 31 March 2022. The allocation for Bromley is £640K.

Due to the tight timescales to spend both funds once allocation and guidance is received, this report requests approval for the delegation of decision making to a Chief Officer in consultation with the Portfolio Holder.

2. RECOMMENDATION(S)

That the Executive approve:

- 2.1 Delegated authority to the Director of Housing, Planning and Regeneration in consultation with the Portfolio Holder for Renewal and Recreation to determine the design of the CARF discretionary scheme for businesses.**

- 2.2 Delegated authority to the Director of Housing, Planning and Regeneration in consultation with the Portfolio Holder for Renewal and Recreation to determine CARF criteria and application process as required, in line with the Department for Levelling Up, Housing and Communities (DLUHC) guidance, when further detail is received.**
- 2.3 Delegated authority to the Director of Housing, Planning and Regeneration in consultation with the Portfolio Holder for Renewal and Recreation to distribute and move funding between any approach designed to best respond to demand and to ensure the full £5,315,301 relief for CARF is applied.**
- 2.4 Delegated authority to the Director of Housing, Planning and Regeneration in consultation with the Portfolio Holder for Renewal and Recreation to distribute allocation for ARG top-up three by increasing amounts available to any of the previous funding programmes agreed by the Executive for ARG, moving funding between any of the existing programmes to ensure the full amount is spent by 31 March 2022.**
- 2.5 Delegated authority to the Director of Housing, Planning and Regeneration in consultation with the Portfolio Holder for Renewal and Recreation to make any decisions required owing to unforeseen changes in Government guidance or policy relating to either fund.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: The CARF and the ARG funds will provide further support to businesses that have been impacted by the Covid-19 pandemic, supporting livelihoods, including of the most vulnerable.
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Corporate Policy

1. Policy Status: Not Applicable
 2. BBB Priority: Excellent Council Vibrant, Thriving Town Centres
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Financial

1. Cost of proposal: £5,315,301 (CARF) and 640K (ARG top-up three)
 2. Ongoing costs: Non-Recurring Cost
 3. Budget head/performance centre: Town Centre Management – Business Support
 4. Total current budget for this head: £79K
 5. Source of funding: Government – COVID-19 Additional Relief Fund and COVID-19 Additional Restrictions Grant
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Personnel

1. Number of staff (current and additional): 6
 2. If from existing staff resources, number of staff hours: 1000 hours
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Legal

1. Legal Requirement: Non-Statutory – Government Guidance
 2. Call-in: Applicable
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Procurement

1. Summary of Procurement Implications: N/A
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 12-24 businesses are estimated to benefit from the ARG top up. There is no estimate for the number of businesses that will benefit from the rate relief as this will be determined by the design of the scheme.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

- 3.1. CARF (COVID-19 Additional Relief Fund) was originally proposed by the Government in March 2021, after businesses appealed against their business rates to the Valuation Office Agency (VOA) following the impact of Covid-19. The Government prohibited all appeals due to the pandemic and announced the relief scheme as a support measure.
- 3.2. The amount allocated by the Government to the overall fund does not account for the totality of requests from businesses to the VOA, and therefore the £5,315,301 for Bromley is unlikely to meet the amount requested by businesses. As demand outstrips the finance, this will be a discretionary relief to be designed by local authorities. Funds not applied by the given deadline (to be confirmed by DHULC), cannot be retained.
- 3.3. The pre-conditions from Government stipulate that awards can only be made to reduce the chargeable business rates in 2021/2022 and must be directed towards ratepayers adversely impacted by the pandemic and that have been unable to adequately adapt to that impact. The following exclusions apply for eligibility for any discretionary scheme:
- Ratepayers who for same period of the relief 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).
 - The period when a property is unoccupied (except if closed due to Government guidance)
- 3.4. This fund must be administered as credit to offset business rates, not to be paid as grants. Payments are to be credited for 2021/2022 but local authorities await DHULC confirmation on when payments will need to be made by. It is likely payments must be fulfilled either by the end of March 2022, or a subsequent six months after the end the financial year (September 2022).
- 3.5. The design of a discretionary relief scheme will need to factor in resourcing required from the Business Rates team, and the current administering of existing grants and upcoming grants by the Economic Development team.
- 3.6. In designing a localised CARF scheme, officers will consider three broad approaches:
- 3.6.1. **Automatically credit:** This approach uses a core principle of giving out to businesses, rather than businesses seeking funds from the Council. It would agree a set percentage with a cap for the funds available split across businesses eligible, prioritising those businesses that had their appeals to VOA rejected. This is the quickest way of getting funds to businesses and the least resource intensive. However, it holds risks of not accounting for eligible businesses not already in the current system, disadvantaging businesses who did not appeal, and the Council covering the costs of businesses paid that breach subsidy rules (as awards normally cannot be removed without 12 months' notice).
- 3.6.2. **Application process** – This would employ a targeted approach with the focus to be defined by the Council and business partners. This could be aimed at specific sectors or areas of interest. This option is good for targeting limited funding to areas requiring it the most and provides an opportunity for business engagement with sectors not traditionally engaged with the Council. However, it is time and resource intensive and will delay getting the relief applied to businesses.

- 3.6.3. **Hybrid approach** – This approach uses a mixture of automatically identifying those eligible, possibly using the appeals rejection list as a starting point, and operating a light touch application process simultaneously to ensure subsidy rules are met, and to also be open for businesses not on the system but eligible.
- 3.7. For this scheme, decisions on the amount allocated will need to be taken after the closure of any applications process, to ensure the Council does not overcommit.
- 3.8. The Council is currently administering £2.141M of the existing discretionary Additional Restrictions Grant (ARG) top up funding, to be spent by 31 March 2021. The third top-up of this grant of £640K is anticipated imminently, to also be spent by 31 March 2021. Due to the timelines and the demand from businesses for the existing ARG funding programmes, it is recommended that the funds are used to top up these programmes previously agreed by the Executive.
- 3.9. The Economic Development team will engage with businesses through the Bromley Economic Partnership, with the next meeting scheduled for 11 January.
- 3.10. It is important to ensure that the arrangements for administering these grants are adequately resourced. The proposals assume that a sum of £92,810 is required to resource the Economic Development team to September 2022 to deal with additional grant distribution and monitoring requirements. There will also be the costs to support administering the grant process through Liberata which are not available at this stage. The funding of these costs will be met by any new burdens funding available from government and may also require part utilisation of the Government's unringfenced Covid Grant 2021/22.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 4.1 Rates relief offered through this fund will support sustaining businesses, and through this household finances by protecting jobs. Job losses impact most heavily on vulnerable families who do not have the reserves to weather financial shocks.

5. POLICY IMPLICATIONS

- 5.1 The relief set out in this report will support the delivery of Ambition 3 of Making Bromley Even Better: For people to make their homes in Bromley, and for business, enterprise and the third sector to prosper.

6. FINANCIAL IMPLICATIONS

- 6.1 The Council will be fully reimbursed for the relief awards by Central government, up to the maximum level of £5,315,301 subject to awards complying with DLUHC guidance. Within the year local authorities will be provided with 'on account' section 31 payments covering the full amount of relief awarded. The Council will provide the Government with outturn data on the actual total cost of providing the relief via the NNDR3 forms for 2021/2022. The loss of income resulting from the relief for the Council will be reconciled by Central government against the on-account payments made over the course of year and any difference will be paid (or recovered).
- 6.2 The Council will receive a further grant top up for ARG schemes of £640,151 to be distributed by 31 March 2022.

6.3 The additional cost of resourcing the Economic Development team to September 2022 to deal with additional grant distribution and monitoring requirements is estimated at £93k (further detail in Personnel Implications). The funding of these costs as well as the cost of using Liberata to support the administration of the scheme (cost not available at this stage) will be met from any further new burdens funding that the Government make available for these schemes and may also require part utilisation of the Government's unringfenced Covid Grant 2021/22 (if such specific funding from Government does not cover all costs).

7. PERSONNEL IMPLICATIONS

7.1 The new grants will require officers in the Economic Development team to continue working on grants distribution and the monitoring of grants requirements until at least September 2022. Officers are already working on delivering existing ARG programmes with grant monies to be spent by 31 March, but with monitoring to continue into Q2 2022/2023 in particular for the vacant units programmes where the signing of leases has been extended into the autumn.

The two staffing posts created because of COVID-19 grants have contracts ending in March 2021 and require extension. Two other posts are historically funded through part capital but cannot be charged to capital any longer as all work is Covid-19 recovery focussed. The total cost of using COVID monies for the Economic Development team to September 2022 is £92,810.

8. LEGAL IMPLICATIONS

- 8.1 The main legal issue relating to this grant is to ensure the Council's compliance with the guidance for local authorities relating to the Covid-19 Additional Relief Fund as issued by DHULC and to ARG guidance as issued by BEIS. The delegated scheme design will need to demonstrate awareness of the Council's obligations to comply with that guidance.
- 8.2 Awards are likely to amount to a subsidy and therefore any relief provided under the schemes will need to comply with the UK's domestic and international subsidy control obligations.
- 8.3 Officers will need to consider any further relief terms and conditions to impose on relief recipients to whom the Council makes any payment under the CARF. If this is required, it should be designed with guidance from Legal Services.

Non-Applicable Sections:	Procurement Implications
Background Documents: (Access via Contact Officer)	[Title of document and date]