

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	4714
Author:	Robert Dixon
Department:	Growth and City Development
Contact:	Robert Dixon (Job Title: Head of Business Growth and International Strategy, Email: robert.dixon@nottinghamcity.gov.uk, Phone: 64907)
Subject:	Covid Additional Relief Fund (CARF)
Key Decision (decision valued at more than £1million):	Yes
Total Value:	£9.6m (Type: Revenue)
Decision Being Taken:	1. To accept £9.6m of grant funding from UK Government for CARF funding.2. To agree policy related to application of the relief to business rates accounts.3. To delegate to the Director of Finance to make adjustments to business rates accounts from 2021/22 to allocate the funding to business accounts accordingly.

Reasons for the Decision(s) Uk Government have allocated £9.6m of funding for Nottingham City Council to provide a relief to businesses impacted by Covid. The funding is designed to be used to provide a rate relief on 2021/22 business rates, for businesses impacted by Covid, but not eligible for the automatic 50% relief for retail, leisure and hospitality businesses. Examples of impacted businesses might be breweries, summer schools and cleaning companies. Not consumer facing premises, but impacted by lockdowns and Covid restrictions. This decision is required to agree the local policy and take the actions required to apply the relief to business rates accounts. The funding has already been allocated to Nottingham, and has to be accounted for by 30 September 2022. It is important to get this allocation funding defrayed, as it will reduce pressure on stretched businesses. This is effectively a benefit to businesses in Nottingham, impacted by Covid, so is beneficial to the local economy. The policy has been developed by a small councillor working group led by the Portfolio Holder for Finance, with support from Business Growth and Business Rates team. The policy makes some exclusions (such as advertising hoardings, energy providers, IT companies, financial services business which have not been affected as much) and prioritises Nottingham businesses, and smaller businesses, with a cap on payments. This is designed to provide broad scale support, easily distributed/allocated, and supporting local employment where possible. The funding is allocated to Nottingham, with an associated burdens allowance, so there is no cost to the council. In terms of risks, the key risk to avoid is not getting the money distributed in time. In terms of fraud and ineligible businesses receiving the relief, there is a risk which will be managed by having a small team review decisions, and any doubtful cases allocated to the internal audit and fraud team to review.

Briefing notes documents: CARF Policy.docx

Other Options Considered: Not accepting the grant and not applying the relief - rejected as this funding will be of benefit to those businesses eligible. For ca 2,000 businesses, this will provide an average ca £4,600 of relief. These are businesses that have been impacted by Covid (lost sales) but not been eligible for mandatory business rate relief of 50%: businesses such as breweries, summer schools, travel companies, cleaning businesses. The businesses being excluded have not suffered from lost sales (IT, energy, financial services, public administration etc). Different policy for inclusion/exclusion - considered and rejected as the proposed policy targets Nottingham businesses, and is designed to support local jobs.

Background Papers: None.

Published Works: None.

Affected Wards: Citywide

Colleague / Councillor Interests: None.

Consultations: Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

None arising from the decision to be taken.

Equality:

EIA not required. Reasons: Decision does not relate to new or changing policies.

Decision Type:

Leader's Key Decision

Subject to Call In:

No
The call-in procedure does not apply to the proposed decision because the delay likely to be caused by the call in process would seriously prejudice the Council's or the public's interests. The Chair of the Overview and Scrutiny Committee (or Vice-Chair) in his/her absence has been consulted and agreed both that the decision proposed is reasonable in all circumstances and that it should be treated as a matter of urgency.

Person Consulted: Councillor Sam Gardiner - Chair of O&S Committee

Consultation Date: 26/08/2022

The decision is urgent and the business cannot be deferred because the funding has to be allocated and accounted for before 30 September 2022. Ahead of that date, the funding has to be allocated to accounts, emails/letters sent to businesses, responses dealt with and queries responded to, and final balancing funding allocated - this work will take approximately 4 weeks.

Advice Sought:

Legal, Finance

Legal Advice:

The proposal to accept the grant funding from government itself raises no significant legal issues, but steps should be taken to ensure that it is utilised in accordance with the grant requirements.

Advice provided by Malcolm Townroe (Director of Legal and Governance) on 23/08/2022.

Finance Advice:

The £9.6m grant has already been received and the Government guidance provided on this is clear. The Business Rates team will apply a reduction to eligible Business Rates accounts, rather than make a payment to ensure that this is completed in the most effective manner. The grant will then offset this overall reduction. The team are able to undertake this work, which needs to be completed by the 30 September 2022 and the main risk is not achieving this timescale.

Advice provided by Susan Tytherleigh (Senior Finance Manager) on 17/08/2022.

Signatures:

David Mellen (Leader/ PH Strategic Regeneration Communications)

SIGNED and Dated: 08/09/2022

Sajeeda Rose (Corporate Director of Growth & City Development)

SIGNED and Dated: 06/09/2022