

REPORT TO:	Leader of the Council
DATE:	13 November 2023
SUBJECT:	Flood Recovery Framework: Council Tax discount and Business Rates relief schemes
PURPOSE:	To seek approval to implement the Council Tax discount and Business Rates relief schemes
KEY DECISION:	<i>No</i>
PORTFOLIO HOLDER:	Councillor Fry, Portfolio Holder for Finance
REPORT OF:	Christine Marshall, Deputy Chief Executive (Corporate Development) and S151
REPORT AUTHOR:	Sharon Hammond, Head of Revenues and Benefits (PSPS)
WARD(S) AFFECTED:	All
EXEMPT REPORT?	<i>No</i>

SUMMARY

This report seeks approval to implement the Council Tax discount and Business Rates relief schemes, as activated by the governments Flood Recovery Framework to support households and businesses affected by Storm Babet

RECOMMENDATIONS

That the Leader of the Council approves

1. Implementation of the Council Tax discount and Business Rates relief Flood Recovery schemes activated through the Flood Recovery Framework as a result of Storm Babet, in line with government guidance, to be delivered using this councils discretionary powers:
 - Council Tax discount – LGFA 1992 Section 13A (1) (c)
 - Business Rates relief – LGFA 1988 Section 47

And

- 1) The updating of the Council Tax Discretionary Reduction and the Business Rates Discretionary Relief policies in relation to these schemes.

REASONS FOR RECOMMENDATIONS

To ensure prompt implementation of the Council Tax and Business rates schemes so that those households and businesses impacted by Storm Babet can receive some financial support.

OTHER OPTIONS CONSIDERED

Do nothing, however this would be contrary to the governments expectation and recommendation, and would not provide financial support to affected households and businesses.

1. BACKGROUND

- 1.1.** On 25th October 2023 the government activated its Flood Recovery Framework in response to severe flooding events which occurred following storm Babet. This framework is intended to provide local authorities with central support to help communities and businesses that have been significantly impacted.
- 1.2.** As part of this package of support, schemes for the funding of council tax discount and business rates relief can be applied to homes and businesses affected by major flooding events.
- 1.3.** This Department for Levelling Up, Housing and Communities (DLUCH) has also issued a Memorandum of Understanding to be completed by local authorities, which includes the Council Tax discount and Business Rates relief.

2. COUNCIL TAX DISCOUNT AND BUSINESS RATE RELIEF

- 2.1.** Storm Babet is known to have caused flooding events in the district which have impacted households and businesses. The discount and relief schemes provided for in the Flood Recovery Framework are designed to alleviate the financial impact to households and businesses caused by major flooding events.
- 2.2.** The criteria for activating the schemes in the district has been met, with in excess of 50 properties (any combination of households and businesses) flooded within the area of the Lead Local Flood Authority (LLFA) as a direct result of Storm Babet, with properties flooded between 19 and 25 October 2023.
- 2.3.** The legal framework for the granting of council tax discretionary relief sits under section 13A (1) (c) of the Local Government Finance Act 1992, and the provision for granting discretionary relief in business rates sits under section 47 of the Local Government Finance Act 1988. East Lindsey has discretionary policies in place, and subject to approval these

policies will be updated with details of the Flood Recovery Framework schemes and criteria.

- 2.4** The Government will reimburse authorities for the cost of a 100% Council Tax relief for a minimum of three months if flood water entered the domestic property or the domestic property was otherwise considered unliveable for greater than 48 hours. It will also reimburse authorities for the cost of 100% council tax discount on temporary accommodation for any household unable to return to their home.
- 2.5** For Business Rates, the Government will reimburse authorities for the cost of providing 100% relief from business rates for a minimum of three months if flood water entered the property or the flooding seriously impacted on the businesses ability to trade from the property. The relief provided will be subject to UK subsidy control regime and will only be available to properties with a rateable value less than £10million.

3. PROPOSAL

- 3.1** It is proposed that approval is given to implement the Council Tax discount and Business Rates relief schemes, to be delivered in line with the eligibility criteria of the Flood Recovery Framework guidance, with local discretionary policies updated accordingly.

4. CONCLUSION

- 4.1.** Adapting the eligibility criteria set out in the Flood Recovery Framework guidance for the Council Tax discount and Business Rates relief schemes will ensure that households and businesses affected can receive some financial support to assist recovery of the impacts from storm Babet.

EXPECTED BENEFITS TO THE PARTNERSHIP

Not applicable

IMPLICATIONS

SOUTH AND EAST LINCOLNSHIRE COUNCIL'S PARTNERSHIP

None

CORPORATE PRIORITIES

None

STAFFING

None

CONSTITUTIONAL AND LEGAL IMPLICATIONS

The legal implications and mechanisms for funding are detailed in the report.

Business Rates relief will be subject to the UK Subsidy control regime.

DATA PROTECTION

None

FINANCIAL

Council Tax Discount

Where households in the district are granted council tax discount in line with the criteria set out in government guidance and the Memorandum of Understanding the Government will fund the equivalent amount of council tax discount

At this time, the total number of flooded households that may be eligible for the Council Tax discount is being assessed.

The Council Tax Discount will go through the General Fund however this will have no financial impact as any discounts issued will be offset by Government Grant.

Business Rate Relief

Where businesses in the district impacted by the floods meet the criteria set out in government guidance and the MoU, the Government will fund business rates relief via the new burdens funding mechanism set out in section 31 of the Local Government Act 2003 meaning that the net expenditure to the Council would be nil.

RISK MANAGEMENT

None

STAKEHOLDER / CONSULTATION / TIMESCALES

Assistant Director – Regulatory, South & East Lincolnshire Councils Partnership

REPUTATION

Efficient administration of the Council Tax discounts and Business Rates reliefs will positively impact on the council in its support of affected households and businesses.

CONTRACTS

None

CRIME AND DISORDER

None

EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING

There are no specific equality implications arising out of this report. The amount of support is available to anyone impacted by the flooding in line with scheme guidance.

HEALTH AND WELL BEING

None

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

None

ACRONYMS

APPENDICES	
Appendices are listed below:	
<i>APPENDIX A</i>	Flood Recovery Framework: Guidance for local authorities in England. 28 October 2021
<i>APPENDIX B</i>	Letter from DULHC – Storm Babet: Activation of the Flood Recovery Framework. 26 October 2023

BACKGROUND PAPERS
No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report

CHRONOLOGICAL HISTORY OF THIS REPORT
A report on this item has not been previously considered by a Council body

REPORT APPROVAL	
Report author:	Sharon Hammond, Head of Revenues and Benefits, PSPS sharon.hammond@pspsl.co.uk

Signed off by:	Christine Marshall, Deputy Chief Executive (Corporate Development) and S151
Approved for publication:	