

REPORT TO: Executive Board

DATE: 17 February 2022

REPORTING OFFICERS: Strategic Director - Enterprise, Community & Resources

PORTFOLIOS: Corporate Services

SUBJECT: Covid Additional Business Rate Relief Fund 2021/22

WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to consider and approve a discretionary business rate scheme for the distribution of Government financial support for businesses affected by the covid pandemic but that are ineligible for existing support linked to business rates.

2.0 RECOMMENDED: That;

- (1) The Discretionary Covid Business Rate Additional Relief Policy included at Appendix A, be approved.**
- (2) Approval be given to the Operational Director, Finance in consultation with the Portfolio Holder Corporate Services to amend the Covid Business Rate Additional Relief Policy, to ensure the Council distributes the full amount of Government grant funding allocated for the scheme.**

3.0 Supporting Information

- 3.1 Government announced on 15 December 2021 that they would provide additional relief to businesses who did not qualify for any previous reliefs announced as part of the response to COVID19. Subsequently, the Government announced a new COVID-19 Additional Relief Fund (CARF) of £1.5 billion. The Fund is intended to support those businesses who are affected by the pandemic, but are ineligible for existing COVID-19 support linked to business rates. The CARF support is to be provided to businesses through rate relief to their 2021/22 business rate accounts, rather than via a grant payment.
- 3.2 Government will, in line with the eligibility criteria, fully reimburse the Council where relief is granted, using discretionary relief powers under section 47 of the Local Government Finance Act 1988. It is for individual billing authorities to adopt a local scheme and determine in each individual case whether, having regard to the guidance, to grant relief under section 47. The relief is available to reduce chargeable amounts in respect of 2021/22 only.

3.3 The £1.5 billion is allocated to local authorities based upon the estimated rateable value in each local authority rating list which falls within the scope of the fund. The amount allocated to Halton is £3,087,468. Government will fully reimburse local authorities for discretionary relief awards which comply with the guidance up to the maximum level of the allocation.

4.0 FINANCIAL IMPLICATIONS

4.1 Funding for the scheme up to an allocated amount of £3,087,468 will be provided directly by Government. The Council will not provide any additional funding over the allocated amount.

4.2 The level of local interest in the scheme will only become clear when the application process to apply for relief goes live. It is therefore proposed within the policy that the value of the relief to be awarded to individual businesses remains flexible, until such time as the overall take-up of the scheme is known.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

5.1 In line with the Employment, Learning & Skills priority, discretionary business rate relief support will help provide continued support to businesses within the borough.

6.0 RISK ANALYSIS

6.1 The Council will aim to distribute in full the allocated grant. There is a risk the discretionary support provided to businesses will exceed the available grant. An assessment of businesses who may be eligible to apply for the grant will be undertaken prior to the scheme going live.

7.0 EQUALITY AND DIVERSITY ISSUES

7.1 None.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1072

9.1 Document	Place of Inspection	Contact Officer
COVID-19 Additional Relief Fund (CARF): Local Authority Guidance	Halton Stadium, Widnes	Louise Bate Business Rates Manager

1. Scope and Eligibility

To be eligible to apply for an award a business must have been trading at a point during the financial year 2021/22 and have been included on the local non-domestic rating list.

Government guidance specifically states that support must not be provided for the following;

- 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).
- 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).
- Direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.
- 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.

In addition to Government guidance it is also considered that the Council will not consider the following businesses as eligible for an award:

- Business properties which do not directly employ anyone e.g., parking spaces, advertising rights.
- Any business which cannot demonstrate that it has been significantly impacted by the pandemic.
- Public sector organisations which are funded by government grant
- Those businesses associated with gambling such as casinos and betting shops
- Any business premises which are used for personal use or storage only and is not considered to be trading.
- Banking and other financial institutions
- Whose business is predominantly online
- Those businesses which only supply storage facilities such as warehouses. Logistic warehouses used by online retailers which have not been adversely affected by the pandemic.
- Utilities and communications infrastructure (inc telephone masts, sub-stations, sewage works, hydro power stations, photovoltaic installations, gas storage facilities etc)

2. Application Process

Businesses will need to complete an online application form in order to be eligible for the relief. A separate application must be made for each separate business hereditament. The application form will request sufficient information in order for a decision to be made on the relief to be granted which will include the following information requirements:

- The name of the business rate payer.
- The business address.
- Rateable value of the business.
- Number of employees.
- Confirmation they have not exceeded subsidy limits.
- Supporting narrative on why the business has been affected and percentage adverse effect of the pandemic on trading income.
- The ratepayer may be asked to supply supporting information including governance arrangements (e.g. Constitution, Articles of Association) and recent financial statements (or financial forecasts) to support their application.

The application process will run from 01 March 2022 with a closing date for applications of 15 April 2022. Requests for further information to support an application must be provided by 30 April 2022. For successful applications relief to the business rate account will be applied by the end of May 2022.

The Business Rates team will consider applications against the criteria outlined above.

Decisions will be notified in writing. If a ratepayer is not satisfied with the decision they can request, in writing, within 14 days, for the decision to be reviewed by the Operational Director, Finance.

3. Award Amount

Relief will be applied to eligible accounts during 2021/22 financial year only. The value of relief granted will be finalised once the number of eligible applications have been received and prioritised.

Applications will be prioritised to small businesses and subject to the overall funding available the value of the awards will be initially as follows:

- Rateable value less than £51,000: up to 75% of net liability, after other reliefs.
- Rateable value £51,000 or greater: up to 75% on first £51,000 of rateable value and up to 50% of remaining balance with the maximum award capped at £50,000.

The above values will be finalised subject to the number of eligible applications received. The decision at which award values will be amended will be approved by the Operational Director, Finance in consultation with the Portfolio Holder Corporate Services

Where an account has a credit balance, due to awarding this relief, arrangements will be made to transfer the credit balance into the next financial year unless the business specifically requests for it to be refunded.

4. Subsidy Limits

Government have confirmed in their guidance that discretionary relief to ratepayers is likely to amount to a subsidy. Any relief provided by Local Authorities under the CARF Scheme will need to comply with the UK's domestic and international subsidy control obligations.