

Title of Report	COVID-19 ADDITIONAL RELIEF FUND (CARF) POLICY 2021/22	
Presented by	Councillor Nicholas Rushton Cabinet Member for Corporate Portfolio	
Background Papers	Appendix 1 - CARF Policy	Public Report: Yes
		Key Decision: Yes
Financial Implications	The financial implications of the relief scheme will be addressed via direct government funding which the Council is in receipt of. As such there is no direct impact on net budgets.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	The process for agreeing the Council's policy on CARF has followed the correct process and is in accordance with the Constitution.	
	Signed off by the Deputy Monitoring Officer: Yes	
Staffing and Corporate Implications	None	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	For Cabinet to agree the Council's CARF policy and scheme to enable reliefs to be applied to business rate accounts.	
Reason for Decision	To comply with the constitution.	
Recommendations	<p>THAT CABINET</p> <p>1. AGREE THE COUNCIL'S CARF POLICY AND OPERATION AS SET OUT IN THE REPORT AND ACCOMPANYING FULL POLICY TERMS AND CONDITIONS IN APPENDIX 1.</p> <p>2. DELEGATE AUTHORITY TO THE COUNCIL'S SECTION 151 OFFICER TO MAKE ANY SUBSEQUENT CHANGES TO THE RELIEF AWARD PERCENTAGES AND TO AWARD/APPLY RELIEFS TO BUSINESS RATE ACCOUNTS.</p>	

1.0 BACKGROUND

- 1.1 On 25 March 2021, the Government announced plans to provide an additional business rates support package, worth £1.5 billion nationwide, to support businesses in England affected by COVID-19 but not eligible for existing support linked to business rates. North West Leicestershire District Council received an allocation of £3,704,521 in funding.
- 1.2 The Department for Levelling Up, Housing and Communities (DLUHC) issued guidance for the scheme on the 15 December 2021 and payments of the funding allocations were made to Local Authorities at the end of March 2022.
- 1.3 Although the Government have set national criteria for eligibility, it recognises that economic need will vary across the country, and therefore instructed Local Authorities to exercise their local knowledge and discretion to design a local scheme/policy to operate in its geographical area.

2.0 ELIGIBILITY EXCLUSIONS

- 2.1 The Government set out a range of categories of businesses that are excluded from receiving CARF funding. These are:
 - a) Businesses/ratepayer who for the 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)
 - b) Businesses/ratepayer for periods when their hereditament is unoccupied (other than hereditaments which have become unoccupied temporarily due to the government's advice on COVID-19)
 - c) 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, to a precepting authority, or to a functional body within the meaning of the Greater London Authority Act 1999
 - d) Businesses/ratepayer that have exceeded the Government subsidy limits
 - e) Businesses/ratepayer in administration, liquidation, dissolved, struck off or subject to a striking off notice at the date of award are not eligible for the discretionary CARF scheme
 - f) A business/ratepayer that has entered a Company Voluntary Arrangement (CVA) or Individual Voluntary Arrangement (IVA) during 2020/21 or 2021/22.
 - g) Must not be a public organisation, including government departments, legislative bodies, local government (or local government owned companies), NHS (NHS and Foundation Trusts, practitioners who provide services under contract to the NHS), maintained schools, academy schools and further or higher education, fire and rescue, police, or ambulance service.

2.2 Full details of the Government guidance can be found at:

<https://www.gov.uk/government/publications/covid-19-additional-relief-fund-carf-local-authority-guidance>

3.0 NWLDC Scheme

3.1 To be eligible to apply for relief under this main scheme organisations must be a ratepayer liable and occupying a hereditament for business rates in the boundary of North West Leicestershire District Council during the financial year 2021/22 (for a period of a day or more).

3.2 A ratepayer must not be a business which does not directly employ anyone in respect of the rateable property, for example advertising boards, ATM, telephone masts and unmanned carparks/car spaces. A full list of exempt classifications under the scheme can be found within the full policy in appendix 1.

4.0 Relief Awards

4.1 The amount of relief awarded will be 14.2% of the 2021/22 charge after all other eligible reliefs have been considered/applied to the business rate account. This is subject to a maximum award per hereditament of £20,000 to ensure that the grant is distributed throughout North West Leicestershire to support as many businesses as possible.

4.2 All awards of relief will be by a credit against the Business Rates bill. No cash payments will be made. If a business has paid its rates and subsequently gone into credit, due to the awarding of relief, the credit will be allocated to the 2022/23 business rate account.

4.3 If after processing all applications and awards, there is funding remaining the Council will increase the percentage relief awarded (capped at a maximum 100%) for those properties which have been successful to ensure the government funding is allocated (retaining the £20,000 maximum payment).

5.0 Applications and Timelines

5.1 Initial modelling of business rate payers in North West Leicestershire indicate that there are a potential 896 individual hereditaments that could be eligible to receive rate relief as part of the Council's CARF scheme.

5.2 Following an approval in principle of the draft policy by the Council's Chief Executive and Cabinet Portfolio Holder for Corporate the Council was able to initiate the start of the application process. Delaying this initial application process until Cabinet approval would not have enabled the Council sufficient time to open and close the application window and then review qualifying applications to meet the deadline of the end of September for relief awards to be applied. The application window therefore opened on the 1st August 2022 and will close on the 31st August 2022.

5.3 It should be noted that no relief awards from the scheme will be applied to accounts or notifications of successful awards be sent until Cabinet have considered the policy and agreed it.

- 5.4** Through the Local Revs and Bens Partnership, the Council has written to all the organisations occupying the 896 hereditaments inviting them to apply for funding from the scheme. The scheme is not open to business rate payers beyond these initial organisations.
- 5.5** The application invite process is no guarantee of award and organisations will need to declare and provide if necessary documentation to prove eligibility and therefore possible access to the fund.
- 5.6** Organisations are asked to apply through the Council's Ascendent IT system and they will be notified of the outcome of their applications in September with reliefs applied to accounts through the Local Revs and Bens Partnership administration process.

Policies and other considerations, as appropriate	
Council Priorities:	<ul style="list-style-type: none"> - Local people live in high quality, affordable homes - Our communities are safe, healthy and connected
Policy Considerations:	Existing Business Rate guidance
Safeguarding:	None
Equalities/Diversity:	The scheme attempts to further target support to those businesses not supported in the past.
Customer Impact:	None
Economic and Social Impact:	The CARF scheme will aim to focus those businesses who have not received previous Covid support in line with the Government guidance of the grant award.
Environment and Climate Change:	None
Consultation/Community/Tenant Engagement:	None
Risks:	None - wider that the risk and fraud issues associated with a grants process, which are and will be address in scheme design and future audit processes.
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