

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	7 April 2022
<b>Subject:</b>	Business Rates COVID-19 Additional Relief Fund		
<b>Report of:</b>	Executive Director of Corporate Services and Customer Services	<b>Wards Affected:</b>	All
<b>Cabinet Portfolio:</b>	Regulatory, Compliance and Corporate Services		
<b>Is this a Key Decision?</b>	Yes	<b>Included in Forward Plan:</b>	No
<b>Exempt / Confidential Report:</b>	No		

### Summary:

To consider adoption of a local discretionary business rates policy – the COVID-19 Additional Relief Fund (CARF).

The policy will provide for the award of relief from business rates for one year only. Relief will be applied retrospectively to the 2021/22 Rate liability in accordance with guidance issued by the Department for Levelling Up, Housing & Communities.

Sefton Council has been allocated £4,447,663 by Government to disburse in relief.

### Recommendation(s):

- (1) That the COVID-19 Additional Relief Fund Policy referred to in Appendix 1 is adopted as Council Policy
- (2) Delegate administration of the scheme to the Executive Director of Corporate Resources & Customer Services in consultation with the Leader of the Council and Cabinet Member for Regulatory, Compliance and Corporate Services
- (3) That any variance to the awards of relief set out in Section 4 of the policy document is delegated to the Executive Director of Corporate Resources & Customer Service in consultation with the Leader of the Council and Cabinet Member for Regulatory, Compliance and Corporate Services, where the number of applications received would result in an underspend or overspend of the funds allocated.
- (4) It be noted that the proposal was a Key Decision but it had not been included in the Council's Forward Plan of Key Decisions. Consequently, the Leader of the Council and the Chair of the Overview and Scrutiny Committee Regulatory, Compliance and Corporate Services had given their consent under Rule 29 of the Access to Information Procedure Rules of the Constitution for these decisions to be treated as urgent on the basis that determination of applications must be

completed within regulatory timescales.

**Reasons for the Recommendation(s):**

- (1) Government has allocated funds to each local authority to assist businesses that otherwise have missed out on alternative business rates reliefs allocated to aid them through the COVID-19 pandemic. Relief will be granted using discretionary relief powers under section 47 of the Local Government Finance Act 1988 that require individual billing authorities to adopt a local scheme.
- (2) It is expected that there will be several hundred applications. Delegating administration of the scheme will allow officers to make decisions in line with other business rates relief.
- (3) The business rates database does not contain information that would enable the Council to accurately predict how many businesses may apply and qualify for the additional relief. When the application window has closed and applications have been reviewed, detailed calculations of the awards can be made. However, to comply with business rates regulations referred to in (1) above decisions on awarding relief must be made no later than 30 September 2022. Delegating a decision to vary the awards will enable businesses to receive the awards earlier.

**Alternative Options Considered and Rejected:** (including any Risk Implications)

None

**What will it cost and how will it be financed?**

**(A) Revenue Costs**

None

The Council has been granted an allocation of £4,447,663. Awards made from the COVID-19 Relief Fund that comply with the Government guidance will be reimbursed through the Council's Section 31 grant up to that value. Any awards made above this amount would reduce the amount of business rates retained by the Council, CARF awards will therefore not exceed this amount.

**(B) Capital Costs**

None

**Implications of the Proposals:**

<b>Resource Implications (Financial, IT, Staffing and Assets):</b>
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None								
<b>Legal Implications:</b> None								
<b>Equality Implications:</b> There are no equality implications.								
<b>Climate Emergency Implications:</b>  The recommendations within this report will								
<table border="1"> <tr> <td>Have a positive impact</td> <td>N</td> </tr> <tr> <td>Have a neutral impact</td> <td>Y</td> </tr> <tr> <td>Have a negative impact</td> <td>N</td> </tr> <tr> <td>The Author has undertaken the Climate Emergency training for report authors</td> <td>Y</td> </tr> </table>	Have a positive impact	N	Have a neutral impact	Y	Have a negative impact	N	The Author has undertaken the Climate Emergency training for report authors	Y
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The Author has undertaken the Climate Emergency training for report authors	Y							
This report sets out an administrative process only.								

**Contribution to the Council's Core Purpose:**

Protect the most vulnerable: Not Applicable
Facilitate confident and resilient communities: Not Applicable
Commission, broker and provide core services: Not Applicable
Place – leadership and influencer: Not Applicable
Drivers of change and reform: Not Applicable
Facilitate sustainable economic prosperity: The proposal set out in this report, and the attached policy, provide for financial assistance to businesses that have not previously received relief from business rates during the COVID-19 pandemic. Awards of relief will contribute to the economic recovery of the eligible businesses and encourage their continued participation in Sefton.
Greater income for social investment: Not Applicable
Cleaner Greener Not Applicable

**What consultations have taken place on the proposals and when?**

**(A) Internal Consultations**

he Executive Director of Corporate Resources and Customer Services (FD.6755/22) and the Chief Legal and Democratic Officer (LD.4955/22) have been consulted and any comments have been incorporated into the report.

## **(B) External Consultations**

Not applicable

## **Implementation Date for the Decision**

Immediately following the Committee / Council meeting.

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## **Appendices:**

The following appendices are attached to this report:

1. Business Rates - COVID-19 Additional Relief Fund Policy (CARF)
2. the COVID-19 Additional Relief Fund (CARF): Local Authority Guidance can be accessed using the following link

<https://modgov.sefton.gov.uk/ecSDDisplay.aspx?NAME=SD2998&ID=2998&RPID=33047651>

## **Background Papers:**

There are no background papers available for inspection.

### **1. Introduction/Background**

- 1.1 On 25 March 2021, the Government announced a new Covid-19 Additional Relief Fund' (CARF). The fund will be available to support those sectors which have not received business rates related support for Covid-19.
- 1.2 The Government further announced on the 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 COVID-19.
- 1.3 CARF is a discretionary award with each authority required to use their discretionary powers under section 47 of the Local Government Finance Act 1988 to distribute the funds. The scheme will apply retrospectively to the 2021/2022 rating year only and Sefton Council has been allocated £4,447,663.

- 1.4 The Government requires Local Authorities to exercise their local knowledge and discretion in distributing this relief and recognises that economic needs will vary. Although national criteria have been published local authorities will be able to determine which sectors or businesses will receive the relief and the value to be awarded.
- 1.5 The Government has suggested within the guidance that Local Authorities may wish to consider collaborating as they design their relief schemes to ensure there is consistency where they are working across a functional economic area. Sefton Council have consulted with colleagues in the Liverpool City Region, Knowsley, St Helens, Halton, Liverpool, and Wirral in developing this policy.

## **2 Scope and Eligibility**

- 2.1 It is the responsibility of each individual authority for designing the discretionary relief schemes that are to operate in their areas. However, the guidance specifically states that local schemes:
- a. must not award relief to ratepayers who for the same period of the relief (i.e. for the period from the 1 April 2021 to the 31 March 2022) 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),
  - b. must not award relief to a hereditament for a period when it is unoccupied (other than hereditaments which have become unoccupied temporarily due to the government's advice on COVID-19), and
  - c. should direct their support towards ratepayers who have been adversely affected by the pandemic (in a way that prevents success or development; harmfully or unfavourably) and have been unable to adequately adapt to that impact.
  - d. the ratepayer has exceeded the subsidy control limits
  - e. 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 or to a precepting authority.
- 2.2 Funding for this relief is limited. Government guidance (which can be accessed using the link <https://modgov.sefton.gov.uk/ecSDDisplay.aspx?NAME=SD2998&ID=2998&RPID=33047651> ) provides details of how the funding calculations have been arrived at. An assessment has been provided in that guidance of the business sectors most affected by the pandemic. That information has been used, alongside consultations with colleagues in the Liverpool City Region, to determine business types to be included or excluded from eligibility.

- 2.3 It is intended that the relief scheme adopted will provide the maximum support to businesses whose main trading address is within Sefton. This will provide valuable extra assistance to businesses in Sefton, protecting jobs and enabling businesses to continue to trade.
- 2.4 In order to qualify for an award, the applicant must be the registered Business Rates payer of the premises for which the application is made and have occupied the property in Sefton for the whole of the financial year 2021/22.
- 2.5 The premises must have been occupied from the 1 April 2021 and not have been unoccupied during the financial year 2021/2022 unless required to close under COVID restrictions.
- 2.6 The business must not be in one of the identified sectors which either, from the government guidance, or local conditions would not be considered for an award. Details are set out in Section 2.2 of the policy at Appendix 1
- 2.7 In particular it is intended that this scheme will predominately support small and medium sized businesses who can clearly demonstrate that they have been adversely affected by the pandemic during 2021/2022.
- 2.8 Eligible business must be able to evidence a loss of turnover of a minimum of 30% due to the impact of the COVID pandemic.

### **3. Amount of the award**

- 3.1 The CARF relief is a cash limited award which can only be applied to business rates accounts for the financial year 2021/2022. The total amount received by Sefton is £4,447,663 and the total value of the reliefs granted cannot exceed this figure.
- 3.2 Relief will be applied to eligible businesses during 2021/22 financial year only. The actual value of relief granted will only be determined once the number of eligible applications have been received and prioritised.
- 3.3 Section 4 of the policy document at Appendix 1 sets out target awards of between 50% and 100% according to type of business and rateable value. Awards will be capped at a maximum of £50,000 to limit the risk of spending breaching the limit of the funding provided
- 3.4 It may be necessary to vary the amount of relief awarded according to the number of applications received.

### **4. Administration**

- 4.1 Government guidance does not require an application process as mandatory. However, to enable relief to be awarded to businesses most affected by the pandemic an online application process will be provided.
- 4.2 Applicants will be requested to declare eligibility but may be required to provide supporting evidence before eligibility is confirmed. Business that cannot provide evidence upon request will be deemed ineligible.
- 4.3 Applicants will need to confirm on the application that they have not exceeded subsidy limits.
- 4.4 As funding is cash-limited, a four-week application window will be introduced to enable eligible businesses to apply under the scheme. Applications will not be accepted after the application window has closed. It is intended that the application window will be open from 1-30 June 2022.
- 4.5 Relief will only be applied to businesses that remained in occupation for the whole period 1 April 2021 to 31 March 2022. Should the Council receive information that a business moved out of the property prior to 31 March 22, and after an award of relief has been made, then the relief would be removed. The business would then be liable for the business rates after the relief has been removed.
- 4.6 Where the Valuation Office Agency issues a notice to amend the rateable value of a property with an effective date prior to 31 March 2022, then relief will be calculated in accordance with the amended liability arising from the change in value
- 4.7 It is proposed that the Executive Director of Corporate Resources and Customer Services, and officers, will consider applications against the criteria in the policy document at Appendix 1.
- 4.8 Decisions to award relief will be final and no appeals will be allowed. However, applicants who consider the incorrect amount of relief has been awarded, or has been incorrectly rejected, in accordance with the policy at Appendix 1, can request a review in writing within 14 days of the date of the decision. No further reviews will be considered.

