

Cheltenham Borough Council COVID-19 Additional Relief Fund Scheme

Cabinet 05 April 2022

1 Introduction

- 1.1 On 25 March 2021 the Government announced that a new relief scheme would be available to support those businesses affected by the pandemic that were not eligible for other reductions in their business rates as a result of COVID-19. The Government confirmed that funding and guidance for local authorities would follow.
- 1.2 On 15 December 2021 the Government issued guidance and funding to local authorities to develop local COVID-19 Additional Relief Fund (CARF) schemes.
- 1.3 CARF is to provide discretionary relief to those ratepayers most affected by COVID-19, and have not benefitted from the Extended Retail and Nursery Discount.
- 1.4 The Government is not changing the legislation. Instead, funding is being provided to local authorities to use their discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended) to grant relief in accordance with the guidance provided.
- 1.5 The relief can only be awarded in respect of the 2021/22 business rates liability and will be awarded after any other mandatory and discretionary reliefs.
- 1.6 Local authorities can determine how much relief to provide and which businesses to support but it should be directed at businesses adversely affected by the pandemic that have been unable to adequately adapt.
- 1.7 Funding has been allocated to local authorities based on the estimated rateable value in each local authority rating list, which falls within the scope of the scheme, weighted for the Gross Value Added (GVA) impacts of COVID-19 per sector.
- 1.8 Cheltenham has received £2,583,377 for the CARF scheme.
- 1.9 The Covid-19 Additional Relief Fund: Local Authority Guidance is available at <https://www.gov.uk/government/publications/covid-19-additional-relief-fund-carf-local-authority-guidance>

2 Eligibility

- 2.1 Whilst the Council is able to determine its own scheme the Department for Levelling Up, Housing and Communities (DLUHC) has issued guidance stipulating that if the funding is being used to award relief the Council:
 - a. must not award relief to ratepayers who for the same period of the relief (i.e. the

period 1 April 2021 to 31 March 2022) either are or would have been eligible for the Extended Retail Discount (covering retail, hospitality and leisure) or the nursery discount scheme.

- 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 and have been unable to adequately adapt to that impact.

2.2 In addition to 2.1 above, to be eligible businesses must meet the following criteria:

- a. Business must be liable for a period of occupied business rates liability between 1 April 2021 and 31 March 2022.
 - b. Relief will only be awarded in respect of one period of liability for each eligible property.
 - c. Eligible properties must be in the rating list on 1 April 2022 and any entries entered in the list after this, including any backdated to an earlier date, will be ignored for the purposes of eligibility.
 - d. Businesses must be able to demonstrate that they have been adversely affected by the pandemic, have been unable to adequately adapt to the impact (e.g. staff unable to work from home or business not suitable for home working) and have suffered financially as a result.
 - e. Businesses eligible for small business rate relief, mandatory charitable relief or discretionary relief (excluding retail and nursery discounts), but liable to pay some business rates will be eligible subject to all other conditions and criteria being met.
- c. should direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.

3 Exclusions

- 3.1 In line with section 47(8) of the Local Government Finance Act 1988 the Council cannot grant any relief under this scheme to itself or to either a local or major precepting authority.
- 3.2 A list of businesses and hereditaments excluded from the scheme are in Annex A.

4 Funding Available and Granting of relief

- 4.1 Cheltenham Borough Council has been allocated £2,583,377 for the CARF scheme and wishes to distribute the full amount to support businesses affected by the pandemic.
- 4.2 For this reason the level of relief to be awarded will be determined once all applications have been received and assessed.
- 4.3 The scheme will be open for business to apply from 6 April 2022 until 31 May 2022.

- 4.4 The level of relief awarded may be a percentage of rates payable or a fixed amount and a cap may be set to limit the maximum amount to any one business or property.
- 4.5 In determining the levels of relief to be awarded consideration will be given to the impact of the pandemic on certain business sectors, rateable value ranges and the amount of business rates due to be paid.
- 4.6 The relief will only be awarded in respect of the 2021/22 business rates liability after any other mandatory and discretionary reliefs. No cash payments will be made.
- 4.7 Where a business has paid the 2021/22 business rates liability any credit will be transferred to the 2022/23 liability and instalments recalculated for the balance due. A refund will only be made if the overall account is in credit.

5 Subsidy control

- 5.1 The Council's COVID-19 Additional Relief Fund (CARF) scheme is subject to the subsidies chapter within the UK-EU Trade and Cooperation Agreement (TCA). However, for CARF there is an exemption for subsidies under the value of approximately £2,243,000 per economic actor (broadly speaking, for example, a holding company and its subsidiaries).
- 5.2 This allowance comprises 325,000 Special Drawing Rights (at current exchange rates about £343,000) for Small Amounts of Financial Assistance and a further £1,900,000 for COVID-19 related subsidy.
- 5.3 Therefore, to be awarded CARF you must not have claimed over the period 2019/20 to 2021/22 more than £2,243,000 from schemes which fell within the Small Amounts of Financial Assistance or COVID-19 related allowances.
- 5.4 Any COVID-19 business grants a business ratepayer has received from local government and the 2019/20 Retail Relief should count towards this limit, but you should not count any Extended Retail Discount you have received since 1 April 2020.
- 5.5 Businesses should refer to details of subsidy control in the Government's guidance document which can be found at: <https://www.gov.uk/government/publications/covid-19-additional-relief-fund-carf-local-authority-guidance>
- 5.6 As part of the application process businesses will be required to declare that by receiving the relief they will not exceed the allowances.

6 Applications and Evidence

- 6.1 Businesses will be required to complete the Council's application form and provide any supplementary evidence requested. This may include, but is not limited to bank statements, audited accounts, profit and loss account, statement from auditor, accountant or person with responsibility for the finances.

- 6.2 Businesses must supply all information including any additional or supplementary information requested. Failure to do so will result in the application being rejected.
- 6.3 Any information requested must be provided in a format to enable easy interpretation
- 6.4 Where insufficient information is provided or information is deemed to be unsatisfactory applications will be rejected.
- 6.5 The application form will include a subsidy control declaration which must be fully completed in all cases.

7 Administration

- 7.1 Cheltenham Borough Council will administer the schemes under Section 47 of The Local Government Finance Act 1988 as amended by The Localism Act 2011 and The Non-Domestic Rating (Discretionary Relief) Regulations 1989 (S.I. 1989/1059).
- 7.2 Eligibility for reliefs will be determined in accordance with the guidance provided by the Department for Levelling Up, Housing and Communities (DLUHC) and the eligibility criteria in this policy.
- 7.3 Reliefs under the provisions in this policy will be awarded in respect of the financial year 2021/22 only and they will end on 31 March 2022. Retrospective awards of relief cannot be made after 30 September 2022.
- 7.4 Determination of the levels of relief is delegated to the Executive Director Finance and Assets in consultation with the Cabinet Member Finance and Assets.
- 7.5 Decisions relating to the awarding of the relevant level of relief to businesses are to be delegated to the staff within the Business Rates Team.

8 Change in Circumstances

- 8.1 Businesses must notify the Council within 21 days of any change of circumstances that may affect their entitlement to a discount.
- 8.2 Reliefs will be recalculated or cancelled to reflect any change in circumstances that affect entitlement, changes to entries in Rating List, or where any of the conditions cease to be met, as follows:
 - a. Where there is a change resulting in a decrease in rate liability the amount of relief will be reduced accordingly from the effective date of the change.
 - b. Where there is an increase in rate liability the monetary amount of relief originally awarded will not be adjusted to reflect the change.
 - c. Where the rate liability ends or the ratepayer ceases to meet any of the conditions or eligibility criteria the relief will cease from the effective date.

9 Notification of decisions, appeals and complaints

- 9.1 Successful applicants will be notified of the decision within 6 weeks of the scheme closing on 31 May 2022.
- 9.2 There is no statutory right of appeal against a decision made by the Council in respect of COVID-19 Additional Relief Fund. However, the Council will reconsider the decision if the ratepayer is dissatisfied with the outcome.
- 9.3 The request for a reconsideration must be made within 28 days of the business being issued with an award decision.
- 9.4 The review will be carried out by the Head of Revenues and Benefits and the decision will be final
- 9.5 If an unsuccessful applicant requests a reconsideration they will need to continue to pay their rates bill. Once the reconsideration has been carried out, the ratepayer will be informed, in writing, of the decision.
- 9.6 The Council's complaints procedure (available on the Council's website) will be applied in the event of any complaint received about this scheme, apart from the decision to award or not award COVID-19 Additional Relief.

10 Managing the risk of fraud and data sharing

- 10.1 Cheltenham Borough Council will not tolerate any business falsifying their records or providing false evidence. A ratepayer who falsely applies for any relief, or provides false information or makes false representation in order to gain relief will face prosecution and any relief awarded will be revoked.
- 10.2 By applying for a COVID-19 Additional Relief, all applicants give authority to Cheltenham Borough Council to share data for efficient system administration and to protect public funds. This may include sharing data with the Counter Fraud and Enforcement Unit, other Local Authorities and Government departments.

Annexe A
Businesses / hereditaments excluded from the COVID-19 Additional Relief Fund Scheme

The following businesses/hereditaments will not be eligible under this scheme

- a. Businesses in receipt of 100% Small Business Rates Relief,
- b. Businesses in receipt of or would be eligible for Retail, Hospitality, Leisure Relief
- c. Businesses that are not liable to pay any business rates during the 2021/22 financial period
- d. Empty properties
- e. Hospitals, and healthcare settings
- f. Medical and healthcare providers (including dentists and vets)
- g. Schools and other premises used for educational purposes
- h. Police stations and other premises, Court premises
- i. Banks and Building Societies
- j. Post office and sorting offices
- k. Professional services (solicitors, accountants, Insurance agents, employment/recruitment agencies financial advisors, chartered surveyors, architects
- l. property management and property development companies (including letting agents and rating management/consultants)
- m. Parking spaces and non-public fee paying car parks
- n. Advertising rights, Communication stations
- o. Utility providers and companies in the energy sector,
- p. Land only rating assessments
- q. Storage lockers and premises used for personal storage purposes
- r. Businesses that cannot satisfactorily demonstrate they have been adversely affected by the pandemic and have suffered financially
- s. Businesses that do not meet the eligibility criteria
- t. Businesses that do not complete a satisfactory subsidy control declaration or have exceeded subsidy limits