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SUPPLEMENT AGENDA

This meeting will be webcast live and the video archive published on our website

**Corporate Policy and Resources Committee
Thursday, 10th February, 2022 at 6.30 pm
Council Chamber - The Guildhall**

PLEASE NOTE DUE TO CAPACITY LIMITS WITHIN THE GUILDHALL WE WILL BE OPERATING A REDUCED PUBLIC VIEWING GALLERY

Those wishing to simply view the meeting will be able to watch live via:
<https://west-lindsey.public-i.tv/core/portal/home>

Members:

- Councillor Mrs Anne Welburn (Chairman)
- Councillor Jeff Summers (Vice-Chairman)
- Councillor Owen Bierley
- Councillor Matthew Boles
- Councillor Stephen Bunney
- Councillor Liz Clews
- Councillor Michael Devine
- Councillor Ian Fleetwood
- Councillor Paul Howitt-Cowan
- Councillor John McNeill
- Councillor Tom Regis
- Councillor Mrs Mandy Snee
- Councillor Robert Waller
- Councillor Trevor Young

1. Public Reports for Approval:

- i) URGENT ITEM - Covid-19 Additional Relief Fund (PAGES 3 - 16)
2021/2022

Ian Knowles
Head of Paid Service
The Guildhall
Gainsborough

Tuesday, 8 February 2022

Agenda Item 6g



**Corporate Policy and
Resources Committee**

Thursday 10 February 2022

Subject: Covid19 Additional Relief Fund 2021/22

Report by:	Assistant Director – Change Management & Regulatory Services
Contact Officer:	Alison McCulloch Revenues Manager alison.mcculloch@west-lindsey.gov.uk
Purpose / Summary:	To consider and agree the proposals for the expenditure of the new Covid19 Additional Relief Fund 2020/21 (CARF) for business rates.

RECOMMENDATION(S):

That Members approve:

1. The distribution of the Business Rates Covid19 Additional Relief Fund (CARF) of £1,408,044 for 2021/22 as detailed below and in accordance with the guidelines at Appendix A. This being that all identified businesses be issued with an application form which they should complete and return with a signed declaration of their eligibility. All applications will then be awarded a % off their business rates liability reducing their outstanding balance due for 2022/23.
2. A maximum award be set at £50,000
3. That in the event of any surplus during the year 2022/23, decisions to award any additional relief be delegated to the S151 Officer
4. That any minor amendments to the scheme be delegated to the S151 Officer in consultation with the Chairman of the CP&R Committee

IMPLICATIONS

Legal:

Expenditure must be paid as per the guidance issued by Government and full controls should be kept.

Financial : FIN/175/22/SSc

The council has been awarded the Business Rates Covid19 Additional Relief Fund (CARF) grant of £1,408,044 for 2021/22. This will be allocated in accordance with the guidelines. All identified businesses will be issued with an application form which they should complete and return with a signed declaration of their eligibility. Applications are due by 31/03/2022. The grants will be issued in 2022/23.

The grant will be accrued as appropriate between 2021/22 and 2022/23.

In the event of any surplus during the year 2022/23, decisions to award any additional relief will be delegated to the S151 Officer.

Staffing :

None

Equality and Diversity including Human Rights :

Data Protection Implications :

All data is being collected in accordance with GDPR

Climate Related Risks and Opportunities :

None

Section 17 Crime and Disorder Considerations :

None

Health Implications:

None

Title and Location of any Background Papers used in the preparation of this report:

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

Risk Assessment :

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

x

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

x

No

Purpose of Report

To consider and agree the proposals for the expenditure of the new Covid19 Additional Relief Fund 2020/21 (CARF) for business rates. This scheme is fully funded by central Government and WLDC have been allocated the sum of £1,408,044. Guidance notes have been issued by central Government (as detailed under background papers – section 12) which explain which businesses must not be awarded any relief from the Section 31 grant.

Background

On the 15th December 2021 the Government announced an additional rate relief for businesses funded by the Covid19 Additional Relief Fund (CARF). West Lindsey District Council was awarded £1,408,044.

This scheme has replaced the right to appeal to the Valuation Office Agency on Material Change of Circumstances grounds due to Covid19.

The Government has issued guidance which sets out the criteria for the CARF and additional guidance notes have been produced for businesses and staff (see Appendix A).

Whilst the guidance sets out some national criteria it is local authorities that are responsible for designing the discretionary relief schemes and the Government has suggested that local authorities may wish to consider collaborating with others across a functional economic area. With this in mind all 7 of the Lincolnshire district authorities have worked together to design a relief scheme that still allows for local discretion but is fair and equitable to all businesses across the county.

The Economic Development teams have also provided valuable knowledge and insight into this scheme sharing their experiences and any challenges they had with other Covid19 grant schemes they have implemented since March 2020.

Covid19 Additional Relief Fund (CARF) – Scope and Eligibility

The guidance for businesses and staff are attached at Appendix A and detail the Government determined ineligible businesses and ratepayers. This also details those determined to be ineligible under the Local Scheme.

It is the intention of our scheme to support local businesses who intend to continue to trade and do business in the local area after COVID19. With this in mind regard for previous grant scheme eligibility has been considered and the additional Local Scheme ineligible businesses and ratepayers have been determined using this intelligence by the Lincolnshire Revenues and Economic Development Managers.

Covid19 Additional Relief Fund (CARF) – Estimated Calculations

Following estimates of the businesses we believe would be eligible for CARF we have determined that an initial 20% award across all eligible applications would result in a total spend as below. A comparison using a 15% award is also included.

Number of eligible business	Amount of business rates payable for 2020/21	% award of amount payable	Total Award	Contingency
396	£6,867,367.71	20%	£1,373,474	£34,570
396	£6,867,367.71	15%	£1,030,105	£377,939

Of this total there are 4 businesses that may qualify for over £50,000 relief if an initial award of 20% was applied. If these were to be capped at £50,000 this would increase the contingency to £66,452 and enable us to potentially pay other businesses in the district a higher award. This would ensure that any late applicants could be considered for an award and in the event of any surplus by early September a further payment could be made to either top these 4 accounts up or pay all the other eligible accounts a further small award.

For information there are 40 different categories of business that may qualify for this award and the breakdown is listed below. The majority of the funding would be paid to factories and premises (£514,437.12) followed by warehouses and premises at (£326,889.38). Subject to them fulfilling the qualifying criteria.

Business Split into Categories

Business Type	Count	Award at 20.5%
Bicycle Docking Station and Premises	2	£13.10
Car Parks and Parking Spaces	3	£3,036.11
Dental Surgery Premises	1	£1,330.06
Factory and premises	41	£514,437.12
Garage and Premises	3	£3,350.72
Hospice and Premises	1	£923.80
Kennels	1	£1,176.59
Land Used for Storage	11	£12,139.53
Land Used for Storage and Premises	2	£1,053.81
Land Used for Waste Composting	1	£2,354.02
Local Government Offices	6	£764.63
Maltings and Premises	1	£3,708.81
Mill	1	£60,886.90
Mineral	2	£8,658.23
Office and Premises (Excl. Government)	65	£96,413.07
Offices and Premises	1	£3,504.19
Offices, Store and Premises	1	£2,532.22
Offices, Workshop and Premises	1	£8,975.57
Other Commercial	3	£3,768.88
Other Industrial	1	£6,456.11
Other Miscellaneous	1	£8,818.10

Racing Stables & Premises	1	£798.03
Residential Training Centres and Premises	1	£56,894.88
Self Storage Containers	1	£1,995.08
Shop & Premises	8	£13,103.02
Silos Warehouse and Premises	1	£38,054.31
Storage Container	1	£22.00
Storage Depot	1	£1,662.57
Storage Depot and Premises	1	£5,773.76
Store	2	£936.15
Store and Premises	3	£2,681.58
Stores	12	£5,051.73
Stores and Premises	1	£445.06
Stores Kitchen and Premises	1	£148.35
Stud Farm (PR) & Premises	1	£2,077.62
Tipping Site	1	£5,721.27
Veterinary surgery & premises	4	£5,908.52
Warehouse and Premises	89	£326,889.38
Warehouses, Offices and premises (Part Exempt)	1	£5,826.25
Workshop & Premises	117	£189,752.86
Grand Total	396	£1,408,044.00

The Scheme Criteria

The scheme is for the financial year 2021/22 only but due to the nature of the grant funding applications may still be made up to and including 30 September 2022.

The Government will fund up to the maximum amount of the award allocation which for WLDC is £1,408,044 but any monies not spent will be required to be refunded. Equally, any overspend will be at the expense of the billing authority.

With this in mind the basis of the scheme would be to 'opt in' so WLDC will issue a letter to all those business we identify as possibly eligible for the scheme inviting businesses to make an online application with a return date of 31 March 2022.

This would allow us to assess all applications received based on an initial award of 20% which would then allow a contingency for any late applications. In the event that we are informed of any businesses that do not wish to apply or do not qualify once assessed this % may be increased at that time by delegation to the Section 151 Officer.

This would ensure there is no overspend to the Council but also enable us to assist any businesses that qualify under the criteria with additional support up to the allocation value if it is found there is a surplus.

Due Diligence

As part of the application process all applicants will be required to confirm Subsidy Allowance compliance of any grants and subsidy received.

All applicants will also have to declare what their % reduction in net profit/business losses is with a statement/certificate from their accountant or legal representative confirming these losses.

For audit purposes it is intended to request a % of applicants to provide evidence to the Local Authority. This will be evidence to demonstrate a loss in income of at least 30% due to the Covid19 pandemic during the financial year 2021/22 compared to the same period for 2019/20.

System

We are currently awaiting Northgate advice as to whether they intend to upgrade the system to take this new relief into account or if they will issue us with specific codes to use. These will be required to ensure we accurately account for this relief on any National Non-Domestic Rate returns. It is anticipated this will be available before the applications are assessed.

Appendix A

COVID19 ADDITIONAL RELIEF FUND (CARF relief)

GUIDELINES

Introduction

1. This guidance is intended for businesses liable for business rates in 2021/22 applying to any of the Local Authorities listed in (3) below for the additional rate relief which is funded by the COVID19 Additional Relief Fund (CARF). This fund was announced by the government on the 15th December 2021. Only businesses occupied and liable for business rates on 1st April 2021, are eligible to apply for the relief and any relief application **must** be received by the Local Authority by the **30th September 2022**. Late applications cannot be accepted, and the closing date may be much earlier if oversubscribed.
2. Local Authorities have access to relatively limited funds from the government for this relief, which has replaced the right to appeal to the Valuation Office Agency on Material Change of Circumstances grounds due to COVID. It is expected that most relief allocations to successful applicants will be limited to a certain percentage which means that businesses who do qualify will still have some business rates to pay. The application process is likely to be oversubscribed, with many more relief applications compared to funds available.
3. The Local authorities utilising these guidelines are:
 - City of Lincoln Council – Funding £2,711,060
 - North Kesteven District Council – Funding £1,719,343
 - West Lindsey District Council – Funding £1,408,044
 - South Kesteven District Council – Funding £2,699,652
4. This guidance sets out the criteria under which businesses will qualify to make an application to the COVID19 Additional Relief Fund (CARF), and the evidence required to support an application, and is aligned with the government guidance issued on 15th December 2021

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

5. The Government wants Local Authorities to exercise their local knowledge and discretion and recognise that economic need will vary across the country, so the Government are setting some national criteria for the relief but allowing Local Authorities to determine which relief application cases to support within the stated criteria.

6. The Government suggests 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. The Local Authorities listed above have collaborated on these guidelines, although it is up to each individual Local Authority which amounts of relief are given and who they award relief to.

Which types of business should the COVID19 Additional Relief Fund prioritise?

7. The government guidance issued on 15th December 2021 gives the above Councils discretion over the COVID Additional Relief Fund, and their decisions on the awarding of relief as part of the Fund will be final.

Scope and Eligibility

8. Local Authorities will be responsible for designing the discretionary relief schemes that are to operate in their areas. However, in developing and implementing their schemes local authorities:
 - a. must not award relief to ratepayers who for the same period of the relief (period from the 1st April 2021 to the 31st March 2022, or any part of this period) 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.
9. 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.
10. The following properties are unlikely to meet the eligibility criteria for this relief under either the Government Guidance or the Local Scheme
 - a. **Private Car Park Spaces** (apart from Airport Parking)
 - b. **Networks supplying utilities and associated properties**, including electricity, gas, telecommunications, water, renewable energy, fossil fuel, nuclear power, independent network operator etc

- c. **Properties used for public administration** - including Armed Forces, Local Authority (County Council, District Council, Parish Council and Town Council), Government Departments, Legislative bodies, Fire, Police, Prison County Courts, Magistrates Courts, NHS and foundation Trusts, Lifeboat Stations
 - d. **Advertising rights**
 - e. **Banks, Financial institutions, including ATM machines**
 - f. **Educational establishments** such as schools, University, Colleges
11. To be eligible for relief you must be a ratepayer liable and occupying the property for business rates during the financial year 2021/22 (for a period of a day or more). The following ratepayers are unlikely to be eligible for this relief:
- a. Ratepayers in administration, liquidation or subject to a strike off notice on Companies House
 - b. Ratepayers who have entered into a CVA or an IVA during the period 2021/22
 - c. Ratepayers who are unable to evidence that they have been significantly impacted by the coronavirus
 - d. Ratepayers occupying properties for storage purposes only for short periods of less than 12 weeks.
12. It is the intention of our scheme that this supports local businesses who are trading and who intend to continue to trade and do business in the local area after COVID19.
13. If there is no business rates liability in 2021-22, you will not be eligible for this relief.
14. If other business rates relief (other than transitional relief, mandatory relief, or small business rates relief where the rateable value is over £12,000) has already been granted to the business during the relief period, the business will not be eligible for this relief.
15. Please note, the individual Local Authorities listed above may apply additional mechanisms to determine local need within their own Local Authority and all applications will be considered on their own merits.

Evidence Required for Discretionary Grant Fund application

16. To expedite the application of the CARF relief, we will be asking ratepayers to complete an application form and declare their losses in turnover and to complete a statement that the ratepayer/business will not exceed the subsidy control limits. Ratepayers are encouraged to provide certification from their accountant or their legal representative to confirm these statements in support of their application form.

Post Payment Audit

17. For audit purposes, the Local Authority will select a proportion of ratepayers who have made applications for the CARF funding. These ratepayers will be contacted and asked to provide evidence to the Local Authority in support of their application form, which must be provided within 28 days of the request. Any ratepayer who is selected for audit, will be required to provide:
- Evidence to demonstrate a loss in income of at least 30%, due to the Covid-19 crisis during the financial year 2021/22, compared to the same period in 2019/20. This will be in the form of accounts or bank statements/management accounts for previous years and management accounts / bank statements for the period 1st April 2021 to 31st March 2022.
 - Confirmation that the business has not received any relief or discount under the relief schemes mentioned above in
 - Confirmation of Subsidy Allowance compliance including the cumulative total of the grants and subsidy that you have received. Falsifying your records or providing false evidence to gain this discount will be considered to be fraud.
 - Evidence of trading - this will include but not limited to, invoices, orders, salary payments, bank statements etc.
 - If business accounts are not available for any of the periods required, please provide consecutive bank statements and other documents such as invoices. The Local Authority may come back to you for additional information.

If a ratepayer does not provide sufficient evidence to support their claim, the rate relief will be removed, and the decision of the Local Authority is final.

Subsidy Allowance

18. There is a requirement for all grants made under this Discretionary Grants fund to be subsidy allowance compliant. Please see further government guidance in sections 25 – 29 via the link below.

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

How relief will be provided

19. The Local Authority will be responsible for evaluating COVID19 Additional Relief Fund (CARF) applications, selecting the successful business applicants and then administering and delivering relief to those successful applicants.
20. The Local Authority will endeavour, to make awards as quickly as possible to support successful business applicants, who are struggling financially. Any ratepayer requested to provide evidence in support of their application is

encouraged to do so as quickly as possible, and no later than 14 days to ensure that the CARF relief is not removed from their account.

How much funding will be provided to successful businesses

21. The Local Authority has access to limited funds from the government for this scheme and it is expected therefore that most relief awards will be in the range 10-30%, and this may be capped in order to maximise the number of ratepayers that the local authority helps. This will be subject to change if the scheme is under or oversubscribed. If the scheme is under subscribed, additional payments may be made to ensure that all monies are spent. Please note that the percentage reduction only applies for the days that the property is occupied for business purposes.
22. The reduction in net profit/reduction in bank balance losses will be based for the year 2021/22 compared to the equivalent period in 2019/20.
23. If business accounts are not available for any of the periods required, please provide consecutive bank statements and other documents such as invoices. The Local Authority may come back to you for additional information.
24. Local Authorities have discretion to make relief awards of any amount. It will be for Local Authorities to adapt this approach to local circumstances, such as providing support for businesses that are crucial for their local economies.
25. The level of funding for these discretionary reliefs will be decided by the individual Local Authority within the above guidelines.
26. Your Covid Additional Relief will be calculated against the liability for periods of occupation for trading purposes during the financial year 2021/22 based on the information provided by 31st March 2022. Any increase in liability for 2021/22 after this date will be ignored for the purposes of the relief but where a ratepayer has a reduction in liability, the Covid Additional Relief must be reduced proportionally.

The Application Process

27. All Local Authorities listed in paragraph three will manage their own application process. For more details, please consult the web site of the relevant local authority.
28. The applicants will need to state when applying that by accepting the relief payment, the business confirms that they are eligible for the relief scheme, including that any relief accepted will be fully in compliance with Subsidy Allowance requirements.
29. The individual Local Authority reserves the right to cancel any award of this relief fund if subsequent information comes to light.

The Application Process - deadlines

30. There will be a closing date of midnight on 31st March 2022 across the above Local Authorities for businesses to apply for this additional relief funding.
31. If further funding is provided by the Government or funding is unspent there will be further application rounds.
32. We are expecting this round of relief funding to be oversubscribed so it is important all businesses applying give as much information as possible and ensure they meet the criteria. Where possible, businesses should provide all their information at the same time to ensure that the application is not rejected or delayed.
33. As a condition of relief being awarded, we will expect the business applying to sign a declaration stating that they are not committing any fraud and that they are fully complying with any subsidy allowance limits, as well as giving the Local Authority permission to share data to check such compliance and that these guidelines are complied with.
34. As well as meeting the criteria it is the intention for the discretionary relief to support local businesses whose intention it is to continue to trade and do business in the local area after COVID19.

Award of Relief

35. All awards of this relief will be by a credit against the business rates bill.
36. If a business has already paid its business rates in full for 2021/22 and is awarded this rate relief, any credit on the account will be carried forward into the new financial year 2022/23 and offset against your new instalments.
37. If any court or enforcement costs have been incurred during 2021/22 by a business that will qualify for this relief it will be entirely at the discretion of the Local Authority whether these are cancelled or not.

Appeals process

38. If you are unhappy with a decision by the Local Authority not to award you CARF relief or you are unhappy with a decision to remove this relief, you may ask the decision to be reconsidered. You must request this within 28 days of the decision not to award you relief, or within 28 days of the relief being removed.

Managing the risk of fraud

39. All Local Authorities listed in paragraph three administering the relief will not accept deliberate manipulation and fraud - and any business caught falsifying their records to gain relief awarded will face prosecution and any relief awarded will be subject to claw back, as may any relief awarded in error.

Sharing Information

40. By applying for a COVID19 additional relief all applicants give authority to administering Local Authorities to share data for efficient system administration and to protect the Public Purse, subject to the GDPR. This will include sharing data other Local Authorities.
41. The Local Authority will be required to share data with Government Departments for monitoring and other reasons. By applying for a COVID19 additional relief all applicants give authority for this.

Other Information

42. The Local Authority do not accept any liability for any issues that may arise for businesses because of applying for, receiving, or not receiving relief awards under this scheme.