



**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.