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Subject: Covid-19 Additional Relief (CARF) Scheme – Business Rates

Report to: Policy & Resources Committee 8 February 2022

Report by: Stuart Brabben, Revenue and Benefits Service Manager

SUBJECT MATTER

The purpose of this report is to propose a scheme to the committee for awarding Discretionary Rate Reliefs in 2021/22 to businesses in respect of COVID 19 Additional Relief Fund (CARF)

RECOMMENDATION

This report asks the Committee to endorse the proposed scheme contained in Appendix A, to award discretionary business rates relief to businesses in respect of the Covid-19 Additional Relief Fund (CARF) from the Section 31 Grant Funding from Government.

1. Introduction

- 1.1 The Government is providing Great Yarmouth Borough Council with £1,811,708 of Section 31 Grant funding to implement a scheme of discretionary rate reliefs in accordance with guidance issued in December 2021. This scheme is an important measure in providing support to businesses affected by the pandemic but that are and have been ineligible for existing support linked to business rates.
- 1.2 The Government is not changing the legislation relating to the business rates reliefs available to properties. Instead, the Government will, in line with the eligibility criteria set out in their guidance, reimburse local authorities where relief is granted using discretionary relief powers under Section 47 of the Local Government Finance Act 1988. Each individual billing authority is responsible to adopt a local scheme to grant relief under Section 47. The relief is available to reduce chargeable amounts in respect of 2021/22 and it is for the local authority to determine the level of relief for individual business properties.

2. Government Guidance

- 2.1 Government guidance states that in developing and implementing their schemes local authorities must, if they are funding the relief from the section 31 grant:
 - a) Not award relief to ratepayers who for the same period of the relief 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) Not award relief to a hereditament for a period when it is unoccupied (other than hereditaments which have become closed temporarily due to the government's advice on COVID-19, which should be treated as occupied for the purposes of this relief), and

- c) Direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.

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 and certain precepting authorities (e.g. a parish or county council).

3. The Design of the Scheme

3.1 Five Norfolk authorities (Broadland DC, Great Yarmouth BC, Kings Lynn and West Norfolk DC, North Norfolk DC and South Norfolk DC) have worked together collaboratively to design a framework for a scheme to award the relief. There were two considerations in choosing the design of the scheme:

- (i) A direct award based on a flat rate percentage of net rates payable, or
- (ii) An application process

It was agreed amongst the five authorities that a direct award based on a flat percentage of the net rates payable would be the best option for the following reason:

- To ensure businesses receive the financial support they are entitled to, we want to make the CARF scheme as simple as possible and make the awards without the need for businesses to apply.

We know from previous experience that when we have run an application process not all businesses apply for support they might be entitled to even when we contact them directly to make them aware of potential support.

Our scheme is based on the guidance issued by the government and we will identify the businesses entitled to the CARF and then award relief directly to their business rates accounts. This will ensure the financial support will be paid to businesses a lot quicker than via an application process.

4. The Scheme

- 4.1 Our scheme (Appendix A) has been modelled to utilise the maximum amount of this funding. We have a fixed allocation of funding (£1,811,708) to use for the relief and therefore it is important we do not overspend, or the cost will have to be met by the Council.
- 4.2 Prudent current modelling means that we can award a 23% discount capped at a maximum of £20,000 on the net rates payable (i.e after all other business rates have been applied) to all the business properties not excluded from our scheme. It is estimated that this will use £1,695,000 of the funding. This will leave in the region of £116,000 which can be used as a safety net to deal with any backdated liabilities or missed cases because of the Valuation Office property description we hold does not reflect the current business use. It also allows for the option of giving extra relief to some businesses who have been most impacted by the pandemic.
- 4.3 Our scheme compared with the other Norfolk local authorities we have collaborated with at the time of writing this report is shown in the table below. Each local authority has a different allocation of funding and a different business rate base (types of business and rateable values),

and although the basis of the scheme is essentially the same for all of these local authorities, the outcomes below are reflected by this difference

Table 1

Council	% Discount	Cap	Discretionary pot value	Discretionary pot %
South Norfolk DC	30%	£25,000	£200,000	7.80%
Broadland DC	24%	£20,000	£90,000	4.20%
Great Yarmouth BC	23%	£20,000	£116,561	6.43%
Kings Lynn and West Norfolk DC	20%	Currently calculated without a cap	£400,000	15%
North Norfolk DC	28%	£20,000	£200,000	12.70%

5. Financial implications

- 5.1 Central government will fully reimburse the Council for discretionary relief awards which comply with this guidance up to the maximum level of the allocations.
- 5.2 New burdens funding will also be provided in relation to administering this scheme.

6. Recommendations

- 6.1 This report asks Members of the Committee to endorse the recommended scheme (Appendix A) to award discretionary business rates relief to businesses in respect of the Covid-19 Additional Relief Fund (CARF).

Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?

Area for consideration	Comment
Monitoring Officer Consultation:	
Section 151 Officer Consultation:	Yes
Existing Council Policies:	
Financial Implications (including VAT and tax):	Yes as outlined
Legal Implications (including human rights):	Yes as outlined
Risk Implications:	
Equality Issues/EQIA assessment:	
Crime & Disorder:	
Every Child Matters:	

Great Yarmouth Borough Council

COVID-19 Additional Relief Fund (CARF) Guidelines 2021/22

This policy covers the award of relief under the Covid-19 Additional Relief Fund (CARF). This relief is awarded under S47 of the Local Government Finance Act 1988. The fund is available to support those businesses affected by the pandemic but that are ineligible for existing support linked to business rates. It takes the form of a reduction in net rates bills in the 2021/22 financial year only.

Conditions of relief

1. The relief will be available to reduce chargeable amounts in respect of 2021/22 only and the scheme will not extend beyond that financial year.
2. This scheme will:
 - a. Not award relief to ratepayers who for the same period of the relief 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. Not award relief to a hereditament for a period when it is unoccupied (other than hereditaments which have become closed temporarily due to the government's advice on COVID-19, which should be treated as occupied for the purposes of this relief),
 - c. Direct support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.
3. CARF relief is not available to ratepayers who already benefit from full rate relief for 2021/22 from another scheme e.g. Small Business Rate Relief.
4. The scheme has been designed to fall within the funding made available by government.
5. In order to be eligible for relief the ratepayer must be in occupation of the relevant property on 31 January 2022.
6. Relief is available for occupied properties only.
7. Relief will be calculated as a fixed percentage (23%) of net liability with a capped maximum award limit of £20,000 relief per eligible property.
8. Relief will terminate and be apportioned on a daily basis to the date of vacation. Relief will not be carried forward to a new property.
9. If there is a change in liability for any reason which leads to the original net rates charge being increased or reduced the CARF relief will be recalculated.
10. If a change in circumstances renders a property ineligible or reduces the value of the award, the relevant bill can be amended in the year to reflect the loss of the relief.
11. If a property ceases to be an eligible property during the period of entitlement, relief may be withdrawn.

Appendix A

12. Any overpaid relief will be payable and recoverable through the rates bill.
13. New occupiers who become rateable after 31 January 2022 will not be eligible for relief.
14. Ratepayers occupying excepted hereditaments will not qualify for relief. An excepted hereditament is defined as a property occupied by the billing authority or a precepting authority.
15. The awarding relief under this scheme will close on 31 March.

The Award Process

16. The Council will automatically award the relief to the types of businesses within the descriptions in Annexe A that meet the criteria above. An amended bill will be sent to those who qualify, showing the amount of relief awarded.
17. Guidance notes have been provided by the government to accompany the Covid Additional Relief Funding. From this guidance Great Yarmouth Borough Council matched it to its Rating List as at 31 January 2022, taking into account those businesses the Council was instructed it could not support with this relief.
18. The purpose of these guidelines is to outline the way in which Great Yarmouth Borough Council will administer this discretionary relief, which will take the form of a direct award to those businesses that are identified as meeting the eligible criteria.
19. These guidelines will insist that the business must be trading as of 31 January 2022 to qualify for the relief.
20. Reliefs will be calculated and applied via the Councils Business Rates computer system. Following the award of a relief a revised business rates bill will be issued along with a covering letter explaining the award and instructing businesses to declare if they do not qualify as a result of the COVID subsidy rules or are not financially impacted by COVID-19. Any business contacting the council to instruct that they do not qualify will have their relief removed and a revised bill will be issued accordingly.
21. Where relief applied to an account subsequently puts the account into credit, if possible, we will move this credit to the next financial year 2022- 23. Where a refund is formally requested by a business this will be refunded.
22. To calculate the amount of relief we will award we have divided the £1.81m funding available to the Council by the total liability of all accounts at the 31 January 2022 we are estimating to support, to determine the percentage relief each account would receive.
23. The amount of relief awarded to each eligible business will be equal to 23% of their net Business Rates payable capped at £20,000. By awarding 23% this will allow some of the funding being kept back for any businesses that feel they are eligible but have not been identified by the Council as such.
24. If having made all awards (and after addressing any potential challenges) some of the funding remains unallocated, payments may be allocated to those businesses evidencing the biggest negative financial impact. This will be on a case by case basis for those ratepayers assessed as in greater need as a result of the pandemic. Such awards will be made at the discretion of the Revenues and Benefits Service Manager, Business Rates and Debt Team

Appendix A

Manager or Business Rates and Sundry Debt Team Leader. Evidence of need may be requested in the form of bank statements, financial accounts or other trading records. The Head of Customer Services and Finance Director will be the final decision maker with respect to these awards.

25. Providing relief under this policy is likely to amount to Subsidy and this policy is covered by the rules set out in the following guidance document:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1041468/CARF_LA_Guidance.pdf

26. Ratepayers may decline relief if they wish.

Appeal procedures - Discretionary Rate Relief applications

There is no automatic right of appeal against an authority's decision not to award Discretionary Relief or against the amount of relief allowed. However, should an applicant have a grievance they should contact the Head of Customer Service to request a redetermination of the decision.

The request for a redetermination must be made within four weeks of receipt of notification of the decision and must set out the reasons for the request and any supporting information.

The Council will consider each request on its merits and will consider whether the customer has provided any additional information against the required criteria that will justify a change to its decision

The Head of Customer Service decision will be final with respect to any decision not to award, to revoke or to vary the amount of relief allowed.

The Council will notify a customer of its decision within 28 days of receiving a request for a review or re-determination

Delegated Powers

That authority be delegated to the Section 151 Officer and Head of Customer Services, to amend the Scheme and implement further awards of relief if necessary, for example as a result of the application of the Subsidy Control rules, to maximise the support provided to businesses within the Section 31 Grant funding provided by the Government.

Annex A

The following are types of property on our business rates system that could be eligible for Covid-19 Additional Relief Fund under our guidelines and the government guidelines in which they identify the business types have been negatively effected by the pandemic:

ADVERTISING RIGHT

ADVERTISING RIGHT AND PREMISES

BETTING SHOP AND PREMISES

BOATHOUSE AND PREMISES - COMMERCIAL

BREWERY AND PREMISES

BUILDERS MERCHANTS AND PREMISES

BUS GARAGE AND PREMISES

COMMUNITY TRAINING

CONCRETE BATCHING PLANT AND PREMISES

FACTORY AND PREMISES

FERTILISER PROCESSING PLANT AND PREMISES

GARAGE AND PREMISES - COMMERCIAL

HALL AND PREMISES

HORSE SANCTUARY AND PREMISES

KIOSK

KIOSK AND PREMISES

LAND USED FOR STORAGE AND PREMISES

LAND USED FOR STORAGE WORKSHOP AND PREMISES

LIQUID BULK STORAGE AND PREMISES

LORRY PARK AND PREMISES

MARINA AND PREMISES - COMMERCIAL

MILL AND PREMISES

MINERAL DEPOT AND PREMISES

MOORING - COMMERCIAL

Appendix A

MOORING AND PREMISES - COMMERCIAL

OFFICES

OFFICES AND PREMISES

QUARRY AND PREMISES

RECYCLING YARD AND PREMISES

RESPITE CARE BUNGALOW AND PREMISES

RESPITE HOME AND PREMISES

ROAD HAULAGE DEPOT AND PREMISES

SCRAP METAL/BREAKERS YARD

SHOWHOME AND SALES OFFICE AND PREMISES

SHOWHOUSE & PREMISES

STORAGE DEPOT AND PREMISES

STORE

STORE AND PREMISES

STORE OFFICE WEIGHBRIDGE AND PREMISES

TRAINING CENTRE AND PREMISES

TRAINING ROOM AND PREMISES

VEHICLE REPAIR WORKSHOP AND PREMISES

WAREHOUSE

WAREHOUSE AND PREMISES

WAREHOUSE OFFICES AND PREMISES

WAREHOUSE WHARF & PREMISES

WAREHOUSE WORKSHOP AND PREMISES

WAREHOUSE WORKSHOPS OFFICES & PREMISES

WORKS AND PREMISES

WORKSHOP

WORKSHOP AND PREMISES

WORKSHOP OFFICE AND PREMISES

The following are types of property that would be ineligible for Covid-19 Additional Relief Fund under our guidelines

- 1) Property which is owned or funded through a public administration body:
 - a) Fire
 - b) Police
 - c) Ambulance
 - d) NHS or NHS Trust
 - e) Maintained schools, Academy Schools, Further and Higher education institutions
 - f) Government departments
 - g) Armed forces
- 2) Property including car parking spaces and, communication masts.
- 3) Business rated properties that are for private use