

**Committee: Cabinet**

**Date:**

Wards: All

**Subject: Additional Restrictions Grants**

Lead officer: Caroline Holland, Director of Corporate Services

Lead member: Councillor Owen Pritchard, Cabinet Member for Finance

Contact officer: David Keppler, Head of Revenues and Benefits

**Recommendations:**

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1. For Cabinet to review and agree the Covid Additional Relief Fund (CARF) policy
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**1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1. For Cabinet to agree the Covid Additional Relief Fund policy

**2 DETAILS**

- 2.1. On 25 March the Government announced a new COVID-19 Additional Relief Fund (CARF) of £1.5 billion. The guidance on the scheme was only published in December. The fund will be available to support those businesses affected by the pandemic but that are ineligible for existing support linked to business.
- 2.2. 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 guidance, reimburse local authorities where relief is granted using discretionary relief powers under section 47 of the Local Government Finance Act 1988. It will be for individual billing authorities to adopt a local scheme and determine in each individual case whether, having regard to the guidance and their own local scheme, to grant relief under section 47. The relief is available to reduce chargeable amounts in respect of 2021/22.
- 2.3. Billing 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 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.

- 2.4. It will be for local authorities to determine the level of relief for individual hereditaments.
- 2.5. The relief should be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied
- 2.6. Merton's Approach
- 2.7. Merton have been allocated £4,787,440.
- 2.8. Applications will be invited from any business that has not received or eligible to receive Extended Retail Discount (covering Retail, Hospitality and Leisure) or Nursery Discount.
- 2.9. Businesses will be asked to detail how they have been adversely affected by the pandemic and why they have not been able to adequately adapt to that impact.
- 2.10. An application window of three weeks will be opened for applications.
- 2.11. All applications will need to be reviewed and determined before grants are awarded.
- 2.12. The level of grant will be determined based on the rateable value of successful applicants.
- 2.13. The council will calculate the total rateable value of all successful applicants and apportion the £4,787,440 accordingly.
- 2.14. At this stage it is difficult to estimate the value of the awards as it depends on number of successful applications and the rateable values.
- 2.15. The Council will undertake a communication strategy to reach businesses in the borough to encourage applications. This will include using the Chamber of Commerce and BIDS to reach businesses.
- 2.16. The Revenues and Benefits team will review and determine all applications.
- 2.17. It should be noted that two further business grant schemes require implementation and completion by 31 March 2022 and that the service will undertake the council tax and business rates billing process for 2022/23 at the beginning of March.

### **3 ALTERNATIVE OPTIONS**

- 3.1. The Council could look to implement different local priorities for the policy or different weightings to the different business sectors.

3.2. Some councils are considering applying the relief to all businesses that have not received Extended Retail Discount (covering Retail, Hospitality and Leisure) or Nursery Discount. This would mean many business that have not been affected by the pandemic would receive support. It is questionable how this approach adheres to 2.3 c) above.

3.3. Any unspent funding will need to be returned

#### **4 CONSULTATION UNDERTAKEN OR PROPOSED**

4.1. None.

#### **5 TIMETABLE**

5.1. Estimated time frame for implementation of schemes

<b>Task</b>	<b>Time frame</b>
Software development and testing	21 January 2022
Policy agreed Cabinet	7 February 2022
Call in period ends	14 February 2022
Communications with businesses	14 February 2022
Application window opens	16 February 2022
Application window closes	8 March 2022
Reliefs credited to accounts	22 March 2022

#### **6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

6.1. The Council has received £4,787,440 for this scheme.

6.2. The reliefs are in the form of a credit to the 2021/22 business rates account and not cash grants. If after the credit the account falls into credit this will be transferred to the 2022/23 rates charge.

6.3. The Council's business rates system supplier will provided a solution to administer this scheme. The cost of the new software is unknown at this stage.

6.4. Staffing levels to administer the scheme will come from existing resources.

6.5. The Government have indicated that New Burdens funding will be provided to all Council's for the administration of the new schemes. The amount to be received has not been confirmed yet.

#### **7 LEGAL AND STATUTORY IMPLICATIONS**

7.1. The Council is able to make such grants under the general powers of competence set out in section 1 of the Localism Act, the enabling powers set out in section 111 of the Local Government Act 1972 and in line with Central Government Guidance with regards the Additional Restrictions Grants which has come about as a result of the Covid 19 Pandemic

7.2. The application and evaluation process need to be complied with in order to ensure that no claims of discrimination or inequality are made. The grants will be awarded in accordance with the application process and evaluation

criteria, that will be fully disclosed and an audit trail of the decision making process retained. Successful applications will be awarded the relief on the terms and conditions set out in the policy.

- 7.3. The application process will take account of issues around state subsidy to ensure compliance.
- 7.4. Cabinet may by virtue of section 101 of the Local Government Act 1972, s.9J of the Local Government Act 2000 and the Scheme of Delegation at Part 3E of the Constitution, delegate authority to award this agreement.
- 7.5. 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 guidance, reimburse local authorities where relief is granted using discretionary relief powers under section 47 of the Local Government Finance Act 1988. It will be for individual billing authorities to adopt a local scheme and determine in each individual case whether, having regard to this guidance and their own local scheme, to grant relief under section 47. The relief is available to reduce chargeable amounts in respect of 2021/22.

## **8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

- 8.1. An Equalities Analysis has been completed. (Appendix 2)
- 8.2. The web form that has been designed links automatically to the business rates system.

## **9 CRIME AND DISORDER IMPLICATIONS**

- 9.1. The Government expect pre-payment checking and have stated they will pursue and prosecute fraudulent awards.
- 9.2. The Government have provided an online tool to help with verification.

## **10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

- 10.1. Plans must be made to ensure the service is not overwhelmed by the number of applications received.
- 10.2. The Council will need to monitor and ensure that applications can be reviewed, vetted and decisions made within the timeframes indicated above.
- 10.3. Additional resource should be made available if required.

## **11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT**

- Appendix 1 – Covid Additional Relief Fund Policy
- Appendix 2 – Equality Analysis

## **12 BACKGROUND PAPERS**

- 12.1. Government Guidance and FAQ's