

URGENT DECISION RECORD

Name and Title of Officer: Karen Henriksen, Director of Resources		Service: Resources – Business Rates	
Subject of Decision: Approval of scheme for COVID-19 Additional Relief Fund (CARF) for Business Rates for 2021/22 under Section 47 of the Local Government Finance Act 1988			
Subject of Decision:	COVID-19 Additional Relief Fund (CARF) for Business Rates for 2021/22	Ref.	RES/2022/01
Decision Taken(specify precise details):	<p>Approval is sought for an urgent decision to put in place a scheme that will enable officers to award rate reliefs under a discretionary scheme for COVID-19 Additional Relief Fund (CARF).</p> <p>Background information is set out in Appendix 1.</p> <p>DDDC has been allocated government funding up to £1,245,546. Spending will be contained within this amount.</p> <p>The guidance indicates that reliefs must be awarded by 31 March 2022. However, if approval is delayed until the meeting of the Governance & Resources Committee on 17 March, there would be very little time to process the awards before 31 March. Furthermore, it would be most efficient if reliefs could be awarded prior to bills being sent out for 2022/23 for the eligible businesses who have already applied and met the eligibility tests; otherwise, it would require two bills to be sent in March for successful applicants.</p> <p>The government expects the Council to design its own scheme to give this rate relief as a (section 47) discretionary rate relief. It is recommended that the DDDC CARF scheme is as follows:</p> <ul style="list-style-type: none"> (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) or the Nursery Discount; (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 		

	<p>government's advice on COVID-19, which should be treated as occupied for the purposes of this relief); and</p> <p>(c) direct relief towards ratepayers who have stated that they have been adversely affected by the pandemic and have been unable to adequately adapt to that impact;</p> <p>(d) not grant the discount to DDDC or other precepting authorities;</p> <p>(e) where the requirements of (a) to (d) are met, the amount of the discount awarded will be 75% of the net rates payable (i.e. after other reliefs the business was entitled to have been deducted from their bills).</p>		
<p>Consultation Identify nature of any consultation undertaken or required as part of this decision and attach responses.</p>	<p>Advice was sought from the Council's Monitoring Officer, who agreed that this meets the criteria to be an urgent decision.</p>		
<p>Budget implications. State value of decision and budget used.</p> <p>Decision to be taken without budgetary provision will need the consent of the Service Director and the Director of Resources</p>	<p>Value: Up to £1,245,546</p>	<p>Budget Head: Discretionary Rate Reliefs</p>	
	<p>Within budgetary provision?</p> <p>Yes – will be funded by a government grant</p>	<p>If no. Identify budget head</p>	<p>Approved by: (Initials.) KH Director of Resources</p>
<p>Reasons for the Decision (specify all reasons for taking the decision including where necessary reference to Council policy, Contract Standing Orders, Financial Regulations)</p>	<p>To ensure that the Council has a discretionary rate relief scheme in place to help businesses that haven't already received covid rate reliefs in 2021/22.</p>		
<p>Alternative Options Considered (if appropriate)</p>	<ul style="list-style-type: none"> • To have a scheme that gives full rate relief. It is difficult to see how we could justify awarding more than 75% discount to these cases (as it is aimed at businesses that didn't qualify for the retail discount i.e. intended as a kind of alternative way of getting the discount given to retail premises that didn't qualify under other covid schemes). • Not to establish a scheme. This would not pass on government funding to businesses in the 		

APPENDIX 1:

COVID-19 Additional Relief Fund (CARF) for Business Rates

On 15 December the government published details about a new business rate relief for Covid-19 that will apply for 2021/22. It appears that the intention of this new rate relief is to help businesses that haven't already received covid rate reliefs.

Guidance on this support package, the COVID-19 Additional Relief Fund (CARF) can be found at: <https://www.gov.uk/government/publications/covid-19-additional-relief-fund-carflocal-authority-guidance>

The key elements of the CARF are:

- Authorities are expected to design their own schemes to give this as a (section 47) discretionary rate relief.
- DDDC has been allocated £1,245,546. Any reliefs awarded over this amount cannot be reclaimed from government.
- Reliefs must be awarded before 31 March 2022.
- In developing and implementing their schemes local authorities must:
 - (f) 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) or the Nursery Discount;
 - (g) 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
 - (h) direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact;
 - (i) not grant the discount to themselves or certain precepting authorities (e.g. a parish or county council).

To fulfil (c) above, it was considered that an application process would be required. Therefore it has been necessary to work with colleagues from the business rates and digital transformation teams to quickly design an application form. The application form went live on the Council's website on Monday 21 January. The deadline for applications was initially 13 February. However, due to the number of applications being lower than expected, the deadline was extended to 27 March 2022. Businesses are asked to explain how they have been impacted by covid.

The new relief has been published widely, including on the Council's website, business newsletter, through chambers of commerce, Federation of Small Businesses etc.

Once all applications have been received, staff from the business rates team will check eligibility and that the required information has been submitted. The application information will then be analysed and modelled in order to arrive at a local relief scheme that:

- meets the government's criteria;
- is fair and treats similar types of business with similar rates charges / rateable values consistently;
- aims to spend the allocation of £1.2m (this will be subject to the number of applications received) without overspending.

Once a local relief scheme has been developed, it will be necessary to seek Member approval for it. This is expected to be required in the week commencing 14 February. As there are no Council or policy committee meetings planned for that week, and there is a critical deadline to award these reliefs, it is expected that the decision will have to be made under the procedures for an urgent decision.

Once approved, the business rate team will apply the reliefs to rate payers' accounts by 31 March and issue revised bills. Applicants will be informed if their application is successful or not.

Karen Henriksen 28/02/22