



Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	CABINET – 7 FEBRUARY 2022
Report Number	AGENDA ITEM 10
Subject	COVID19 ADDITIONAL RELIEF FUND (CARF)
Wards affected	All
Accountable member	Cllr Mike Evemy – Deputy Leader and Cabinet Member for Finance Email: mike.evemy@cotswold.gov.uk
Accountable officer	Mandy Fathers – Business Manager for Operations and Enabling Email: mandy.fathers@publicagroup.uk
Summary/Purpose	To seek approval for the guidelines for the Council's Covid19 Additional Relief Fund (CARF) Discretionary Relief to local business ratepayers
Annexes	Annex A – Covid-19 Additional Relief Fund Policy Annex B - Proposed Relief to Business Rate Accounts under the Policy
Recommendation(s)	That Cabinet: <i>a) Approves the Covid-19 Additional Relief Fund Policy, attached at Annex A;</i> <i>b) Approves a discount of 16 per cent to be applied to the eligible business rate accounts as set out in Annex B;</i> <i>c) That authority to award further relief for the period to 30 September 2022 is delegated to the Deputy Chief Executive.</i>
Corporate priorities	Delivering our services to the highest standards
Key Decision	NO
Exempt	NO
Consultees/ Consultation	Leader and Deputy Leader, Chief Executive and Deputy Chief Executive, Monitoring Officer, Interim Head of Legal Services, Finance Business Partner, Group Manager, Director of Finance (Publica)



1. BACKGROUND

- 1.1 On 15 December 2021, the Government announced that it would provide local authorities with additional funding to help businesses pay their business rates to offset the impact of the ongoing Covid-19 pandemic under the Covid-19 Additional Relief Fund (CARF). Government guidance for the CARF scheme was also issued on 15 December. Cotswold District Council has been provided with £1,950,727 to fund relief awarded under its CARF Policy.
- 1.2 Billing authorities are responsible for designing the discretionary relief scheme to operate in their areas. However, in developing and implementing their schemes local authorities are required to comply with Government guidelines which are summarised below:
- a) Local authorities must not award relief to ratepayers who for the same period of the relief (1 April 2021 to 31 March 2022) 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) Local authorities 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) Local authorities 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 the impact.
- 1.3 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.

2. MAIN POINTS

- 2.1 The proposed Cotswold District Council Covid-19 Additional Relief Fund Policy (CARF) is attached at **Annex A** for Cabinet to consider.
- 2.2 It is proposed that relief will be made to qualifying businesses based on a percentage calculation of the entity's net rate liability (after any mandatory and discretionary reliefs have been awarded).
- 2.3 It is proposed that in addition to the Government guidelines, car parks, schools and colleges and army barracks are ineligible for relief under the CARF Policy.
- 2.4 All awards are subject to a subsidy allowance, which replaced State Aid rules, which gives a maximum of financial support that businesses can receive.



- 2.5 The CARF relief will be awarded to business rate accounts for the financial year 2021/22 according to the Government guidelines. The relief will be applied before the Council starts its annual billing processes for 2022/23.
- 2.6 A financial modelling exercise has been undertaken on identified eligible businesses. The outcome of the modelling exercise is detailed in **Annex B**.
- 2.7 Businesses that have not been identified in **Annex B** as eligible for CARF relief can apply for consideration for relief under the CARF Policy until 30 September 2022. It is therefore prudent that some funding is set aside in an earmarked revenue reserve to ensure the Council is able to fund future eligible applications for relief. It is proposed that relief of 16% is initially awarded to those businesses identified in **Annex B**. The cost of 16% relief is £1,557,842 which provides funding of £392,885 for successful applications up to 30 September 2022. Any funding remaining in September 2022 will be applied proportionately to those business rate accounts eligible for relief under the CARF Policy.
- 2.8 It is proposed that delegated authority is provided to the Deputy Chief Executive to determine future awards under the CARF Policy, in consultation with the Deputy Leader and Cabinet Member for Finance.

Implementation

- 2.9 Following Cabinet consideration of this report (and provision for Overview and Scrutiny Committee call-in arrangements) notification letters will be sent to individual businesses advising them of the award of relief under the CARF Policy. The letters will explain that if the business exceeds subsidy limits, or if the business has not been adversely affected by Covid-19, the ratepayer should inform the Council and any relief applied to the account will be removed. This has worked well with previous schemes, such as the Revaluation Scheme, and means that the majority of funding the Council has to spend can be awarded in a timely manner.
- 2.10 Where businesses have already paid their liability for 2021/2022 financial year, credits will be rolled over to the business's 2022/2023 liability, unless a business specifically requests a refund.
- 2.11 The Council has previously awarded Expanded Relief Discount to support the Leisure, Hospitality and Retail sectors. In 2020/21 a total of £18.6 million was awarded and a further £10.5 million has been awarded so far in 2021/22. The Council has also awarded Nursery Discount business rates relief of £76,000 in 2020/21 and £67,000 to date for 2021/2022.



2.12 This means that, over the last two years, the Council has awarded Covid-19 related discretionary rate relief of £29.2 million. This is prior to the CARF Policy being applied and on top of the £70.6 million distributed through the various Covid-19 grant schemes.

3. FINANCIAL IMPLICATIONS

3.1 Central Government will fully reimburse the Council for discretionary awards that comply with the guidance up to the maximum level of its funding allocation. For Cotswold District Council this allocation is £1,950,727. The cost of the proposed 16% CARF Policy relief is £1,557,842 which provides funding of £392,885 for successful applications up to 30 September 2022.

3.2 The Council will also receive New Burdens Funding from the Government for administering the CARF Policy. The value of New Burdens Funding is still to be announced.

4. LEGAL IMPLICATIONS

4.1 The administration and application of CARF will be carried out under Section 47 of the Local Government Finance Act 1988. It is for the Council to adopt a local scheme and determine each individual case; having regard to the guidance from the Department for Levelling Up, Housing and Communities.

5. RISK ASSESSMENT

5.1 There is a potential risk that some eligible businesses have been missed from the initial modelling exercise, which could potentially harm the Council's reputation. To mitigate this risk and ensure a fair process for all eligible businesses, the Council will retain £392,885 of its funding allocation to address future claims. Businesses will have until 30 September 2022 to apply for this relief.

6. EQUALITIES IMPACT

6.1 There are no unacceptable adverse effects on the protected characteristics covered by the Equalities Act that have been identified.

7. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

7.1 None.

8. ALTERNATIVE OPTIONS

8.1 The Council could consider an alternative percentage rate of award to the 16% recommended within this report. The outcome of modelling awards of 15%, 16%, 18% and 19% are set out in the table below. The balance of any grant funding available at the end of September 2022



will be applied proportionately to the business rate accounts that have received a CARF Policy discount.

CARF Policy Discount Rate	15%	Proposed 16%	18%	19%
Cost of discount	£1,460,291	£1,557,842	£1,752,572	£1,849,937
Total Grant Available	£1,950,727	£1,950,727	£1,950,727	£1,950,727
Available for new Applications	£490,436	£392,885	£198,155	£100,790