



Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	CABINET – 1 FEBRUARY 2024
Subject	APPLICATION FOR HARDSHIP RELIEF IN EXCESS OF £10,000
Wards affected	South Cerney Village
Accountable member	CLlr Mike Evey – Deputy Leader and Cabinet Member for Finance Email: mike.evey@cotswold.gov.uk
Accountable officer	Jon Dearing – Assistant Director for Resident Services Email: jon.dearing@cotswold.gov.uk
Report author	Mandy Fathers – Business Manager Email: mandy.fathers@cotswold.gov.uk
Summary/Purpose	To consider one new application in respect of Hardship Relief in excess of £10,000 for the 2021/2022 to 2022/2023 financial years.
Annexes	Annex A – Business Accounts 2020 Annex B – Business Accounts 2021 Annex C – Business Accounts 2022 Annex D – Business Accounts 2023
Recommendation(s)	That Cabinet resolves to: <ol style="list-style-type: none">1. Approve a Hardship relief award of £16,952.21; and2. Instruct officers to make a suitable repayment plan to recover the remaining £16,952.22
Corporate priorities	<ul style="list-style-type: none">• Delivering our services to the highest standards
Key Decision	NO
Exempt	Annexes A-D (sensitive commercial information)
Consultees/ Consultation	Leader and Deputy Leader, Chief Executive and Deputy Chief Executive, Director of Governance, Interim Head of Legal Services, Finance Business Partner, Group Manager, Director of Finance (Publica)



1. EXECUTIVE SUMMARY

- 1.1 This report is for members to consider a new application for Hardship Relief to support a local business in addressing its outstanding liability for Business Rates.

2. BACKGROUND

- 2.1 Cotswold District Council has the power to consider granting on an individual basis, Hardship Relief to organisations experiencing financial hardship.
- 2.2 Such decisions have historically been considered through the powers delegated to the Deputy Leader and Cabinet Member responsible for Finance. However, in May 2022 it was agreed that any request for such reliefs in excess of £10,000 should be considered by Cabinet.

3. MAIN POINTS

- 3.1 The Council has received one new application from Nexus the Educators Connection Ltd in respect of Hardship Relief in excess of £10,000.
- 3.2 The financial overview of the application is detailed within Annex A, attached to this report.
- 3.3 Established in 1995, their focus is on innovation for education, and covers a wide range of educational needs including literacy, numeracy, early years, art and craft, outdoor play as well as a comprehensive range of handwriting pencils, pens, and stationery.
- 3.4 Nexus provide unique learning tools for primary and nursery schools within the district and beyond. As products need to be physically demonstrated, Nexus is unable to easily sell their products online.
- 3.5 Since the UK's departure from the European Union (EU) and the Covid-19 pandemic, Nexus has described their business as being in a 'free fall' and have struggled significantly to maintain business productivity.
- 3.6 They have lost European business due to the difficulties that the UK's departure from the EU has brought in respect of exports; as well as a lack of manufacturing worldwide, which has prevented the supply of goods to the businesses leading to reduced turnover.
- 3.7 The company accounts ending August 2021 show an overall loss; however, its loss has decreased by 62% when compared to the previous year. The company has also vacated the premises the application is in respect of, moving the majority of their warehouse to Northern Ireland where they are able to service Ireland and the UK without the increased red tape and costs caused by the UK's departure from the EU. They do retain a smaller unit in the South



Cerney Village ward where they employ fourteen local people, and this business rates account is up to date.

- 3.8** Nexus has changed their business model to ensure the long-term sustainability of the business within the district whilst securing local jobs for local people. It has vastly decreased its losses and with some additional support from the district council could help secure its future growth.
- 3.9** The total liability owing is for the 2021/2022 to 2022/2023 financial years; however, the total charge for each year the business has been in occupation is as follows:

2017/2018	£34,009
2018/2019	£35,003
2019/2020	£35,784
2020/2021	£36,352
2021/2022	£29,081.60
2022/2023	£31,173.08

- 3.10** The liabilities and subsequent charges were calculated during 2021/2022 following splits and mergers on the business unit and in total Nexus the Educators Connection Ltd has repaid £167,498.25, leaving a balance of £33,904.43.
- 3.11** To support the business with its ongoing recovery it is recommended that Cabinet consider awarding a hardship payment of £16,952.21, being 50% of the outstanding liability and arranging a repayment plan to recover the remaining £16,952.22.

4. ALTERNATIVE OPTIONS

- 4.1** Cabinet could decide not to award any hardship relief or consider awarding a different level for example:

Amount	Percentage	Central Government	County Council	District Council
£10,171.33	30%	£5,085.66	£1,017.14	£4,068.53
£8,476.11	25%	£4,238.06	£847.61	£3,390.44

5. FINANCIAL IMPLICATIONS



5.1 The Council is part of the Gloucestershire 50% Business Rates pool, and the costs of awarding rate relief is shared as follows:

- Central Government 50%
- County Council 10%
- District Council 40%

5.2 In monetary terms, if 50% was approved the costs would be:

Applicant	Central Government	County Council	District Council
Nexus	£8,476.11	£1,695.22	£6,780.88

6. LEGAL IMPLICATIONS

6.1 Section 49 of the LGFA allows billing authorities to reduce the business rates of any local ratepayer where that ratepayer would sustain hardship if the authority did not do so, and it is reasonable for the authority to do so, having regard to the interests of local Council Taxpayers.

7. RISK ASSESSMENT

7.1 The approval, or otherwise, of the individual applications does not set a precedent or carry any significant risk to the Council or its residents, as each application is considered on an individual basis.

8. EQUALITIES IMPACT

8.1 None.

9. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

9.1 None.

10. BACKGROUND PAPERS

10.1 None.



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