

Nuneaton and Bedworth Borough Council

Business Rates

Covid Additional Relief Fund Policy

2021/22

1. INTRODUCTION

- 1.1 In late December 2021 the Government, through the Department for Levelling Up, Housing and Communities introduced new regulations to support businesses entitled to Covid-19 Additional Relief Fund (otherwise known as CARF).
- 1.2 This fund will be available to support those businesses affected by the pandemic but that are ineligible for existing support linked to business rates. Nuneaton and Bedworth Borough Council has been allocated £2,241,206 to support businesses in this way.
- 1.3 Relief will be granted to businesses using discretionary relief powers under section 47 of the Local Government Finance Act 1988. This means that rather than providing a physical monetary payment, relief will be awarded through business rates accounts via our business rates systems. Revised bills will then be issued showing the amount of relief awarded. Central government will fully reimburse local authorities up to the maximum level of the allocations.

2. GENERAL PRINCIPALS

- 2.1 This relief is payable in the 2021-22 financial year only and cannot be carried over to 2022/23.
- 2.2 Businesses must have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.
- 2.3 Businesses that have received Expanded Retail relief or Nursery Discount or those which are unoccupied in 2021-22 are ineligible for CARF. The relief cannot also be claimed in respect of properties owned or funded by the local authority.
- 2.4 Reliefs must be awarded after mandatory and other discretionary reliefs funded by Section 31 grants have been applied.
- 2.5 Where a change in circumstance occurs during 2021-22 the award of relief may need to be recalculated.
- 2.6 Changes reported after 1st January 2022 will not be considered and will not be amended retrospectively after this date.
- 2.7 The hereditament is treated as occupied by the Council

2.8 The ratepayer is not subject to Subsidy Control

3. Businesses Supported

3.1 Guidance notes provided by the government to accompany the Covid Additional Relief Funding (CARF), details business sectors along with the percentage positive or negative financial impact they have experienced because of the Covid pandemic, see Standard Industrial Code (SIC) table below.

3.2 This information was matched to Nuneaton and Bedworth's rating list in line with information provided by third party, order to identify individual businesses in each sector.

3.3 Having considered those businesses which the Council is instructed cannot be supported though this relief, it has been deemed that the accounts in the following business sectors (as identified by the official Valuation Office Agency rating) will receive a reduction in their 2021-22 Business Rates bills:

- Mining and Quarrying
- Manufacturing
- Water and Waste Management
- Wholesale and Retail
- Information and communication
- Financial Services
- Professional Services
- Education
- Health
- Arts, Entertainment and Recreation
- Other services (Funeral Services)

4. The Award Process

4.1 The purpose of this policy is to outline the way in which Nuneaton and Bedworth Council will administer this discretionary relief, which will take the form of a direct award to those businesses that we currently identify as meeting the eligible criteria.

4.2 We will only require an application to be completed if we do not hold current information regarding the hereditament/ratepayer, to make the payments.

4.3 Where appropriate, ratepayers may be required to provide such evidence necessary to allow Nuneaton and Bedworth to decide. Where insufficient information is provided, then no relief will be granted. In some cases, it may be necessary for officers to visit the premises, and this would need to be facilitated where necessary.

4.4 This policy will insist that businesses must be trading prior to 1st April 2021 at the hereditament and continued to trade there until 31 March 2022 to qualify for the relief. If businesses were not trading prior to this date, then it is assumed that they will have started

up their business during the pandemic and so would already have been aware of the financial situation.

- 4.5 Reliefs will be calculated and applied manually to each account on the Business Rates computer system. Following the award of 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 because of the Covid subsidy rules or are not financially impacted by Covid-19. Any business contacting the council to instruct they do not qualify will have their relief removed and a revised bill will be issued accordingly.
- 4.6 Where relief applied to the 2021/22 account subsequently puts the account into credit, if possible, we will move this credit to where there is an outstanding debt, including money due in the financial year 2022/23. Where a refund is formally requested by a business this will be refunded.
- 4.7 To calculate the amount of relief we will award, we have divided the £2.2m funding available to Nuneaton and Bedworth Council by the total liability of all accounts at the beginning of 2021/22 we are supporting, to determine the percentage relief each account would receive.
- 4.8 The amount of relief awarded to each eligible business will be equal to a percentage of their Business Rates liability, capped at £1 Million Rateable Value. By awarding the percentage 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.
- 4.9 The hereditament and percentages to be awarded within Nuneaton and Bedworth district are shown below as listed by their Standard Industrial Code (SIC):

SIC	% Award	GVA Reduction	Hereditament Type
B	15%	-8%	Mining and Quarrying
C	16%	-9%	Manufacturing
G	15%	-8%	Wholesale and Retail
K	9%	-2%	Financial Services
M	14%	-7%	Professional Services
P	27%	-20%	Education
Q	17%	-10%	Health
S	39%	-32%	Other services (Funeral Services)

- 4.10 Nuneaton and Bedworth Borough Council will award an additional 7% above the government Gross Value Added (GVA) reduction for each sector. Details of the GVA reductions can be found:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1041468/CARF_LA_Guidance.pdf
- 4.11 Due to the funding of this scheme being limited, there will be a spending cap of £100,000 per hereditament/ratepayer. This is to ensure as many hereditaments/ratepayers as possible can access the fund.
- 4.12 To ensure larger businesses do not exceed subsidy limits, hereditaments with a rateable value of more than £200,000 must opt into the scheme. A notification will be sent to all identified businesses providing details of how to do this. All identified businesses must opt into the scheme by 18 September 2022.

- 4.13 If having made all awards (and after addressing any potential challenges) some of the funding remains unallocated, payments will then be allocated to equally across businesses who we have already identified as evidencing the biggest negative financial impact.
- 4.14 In all cases the Council will notify the ratepayer of decisions made
- 4.15 Since 1997 decisions can be made up to 6 months after the end of the financial year for which the application was made. In such cases the Council may backdate its decision. Given the timing on this relief, awards will only be made for the 2021/22 financial year.
- 4.16 Any businesses not included within the scheme but meet the criteria for an award must express their interest to be included via email to billing@nuneatonandbedworth.gov.uk by 18 September 2022. Any expressions of interest received after this date will not be considered.

5 VARIATIONS OF A DECISION

- 5.1 Variations in any decision will be notified to the ratepayer as soon as possible and will take effect.
- Where an amount is to be increased due to a change in rate charge (excluding RV increases) or a change in the Council's decision which increases the award will be effective from the date the change. Unless further information is required, then it will be effective from the date all information to made decision is received.
 - Where the amount is to increase for any other reason, it will take effect at the expiry of a financial year unless it is granted for a fixed period
 - Where the amount is reduced due to a reduction in the rate charge or liability (including RV reduction, awarding another relief or exemption), this will apply from the date of decrease in rate charge.
- 5.2 The Council will cancel the relief at any time the ratepayer fails to meet any of the relevant criteria.

6 POLICY REVIEW

- 6.1 This is a one-off policy which will only be required for the 2021-22 financial year and as such will not require further review outside of this financial year.

7 EQUALITIES

- 7.1 This policy has been produced in line with the Council's obligation to the Public Sector Equality Duty provided by the Equality Act 2010. No adverse impact on any protected characteristic has been identified because of this policy.

8 REPORTING CHANGES

- 8.1 Where any changes in circumstance which may affect the relief, need to be reported as soon as possible, as this can affect the date in which the relief, is revised from or cancelled.

8.2 Where any relief is reduced or cancelled, the Council will look to recover the amount in full.

9 REVIEW PROCESS

9.1 The Council's scheme of delegation allows for the Head of Revenues and Benefits to award, revise or revoke any discretionary relief applications. (However, any application which is considered of a significant nature, will be subject to consultation with the Council's Section 151 Officer, prior to final decision).

9.2 Where the ratepayer wishes to appeal the decision of the Head of Revenues and Benefits, the case will be considered by the Council's Section 151 Officer whose decision of behalf of the Council will be final.

9.3 Ultimately the formal appeal process for the ratepayer is Judicial Review although the Council will explain any decisions fully with the ratepayer.

9.4 Any application/awards that are refused will be reconsidered if the request for a reconsideration is made by the 29 September.

- must include additional information to support request
- Or the refusal is based on misinterpretation of the application

9.5 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.

FRAUD

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10.1 Where a ratepayer falsely applies for any relief, provides false information, makes false representation, or withholds information to gain relief, prosecutions will be considered under the Fraud Act 2006.

SUBSIDY CONTROL

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11.1 CARF is subject to the subsidies chapter within the UK-EU Trade and Cooperation Agreement (TCA). However, for CARF there is an exemption under the value of approximately £2,243,000 per economic actor (e.g., a holding company and its subsidiaries).

Therefore, to be awarded CARF the ratepayer must not have claimed over the period 2019/20 to 2021/22 more than £2,243,000 from schemes which fell within the Small Amounts of Financial Assistance.

For more specific details regarding the Subsidy Control, please refer to:

<https://www.gov.uk/government/publications/covid-19-additional-relief-fund-carf-local-authority-guidance>

