

Council name	WEST OXFORDSHIRE DISTRICT COUNCIL
Name and date of Committee	CABINET – 16 FEBRUARY 2022
Report Number	AGENDA ITEM 7
Subject	COVID19 ADDITIONAL RELIEF FUND (CARF)
Wards affected	All
Accountable member	<p>CIlr Suzi Coul – Cabinet Member with responsibility for Finance</p> <p>Email: suzi.coul@westoxon.gov.uk</p>
Accountable officer	<p>Mandy Fathers – Business Manager for Operations and Enabling</p> <p>Email: mandy.fathers@publicagroup.uk</p>
Summary/Purpose	To seek approval for the Council’s Covid19 Additional Relief Fund (CARF) Discretionary Relief to local business ratepayers guidelines
Annexes	Annex A – Local Guidance
Recommendation(s)	<p>That Cabinet approves the :-</p> <p>a) scheme that awards 15% relief to all eligible businesses in respect of Covid 19 Additional Relief Funding;</p> <p>b) requests that the Group Manager for Resident Services implements the scheme.</p>
Corporate priorities	<ul style="list-style-type: none"> Delivering excellent modern services whilst ensuring the financial sustainability of the Council
Key Decision	NO
Exempt	NO
Consultees/ Consultation	Chief Executive, Chief Finance Officer, Portfolio Holder, Monitoring Officer, Interim Head of Legal Services, Finance Business Partner, Group Manager, Director of Finance (Publica)

1. BACKGROUND

- 1.1** On 15th December 2021, the Government announced details of a £1.5bn scheme first announced in the March 2021 budget that it would provide Local Authorities with additional funding to help businesses with their business rates liabilities to further offset the impact of the ongoing COVID-19 pandemic.
- 1.2** Government guidance for the scheme was also issued on 15th December 2021. The £1.5 billion was allocated to local authorities based upon the estimated rateable value in each local authority rating list which falls within the scope of the fund, weighted for the Gross Value Added (GVA) impacts of COVID-19 per sector
- 1.3** Billing authorities will be responsible for designing the discretionary relief scheme that is to operate in their areas. However, in developing and implementing their schemes local authorities based on the Government guidelines:
 - a) Must not award relief to ratepayers who for the same period of the relief (e.g. for the period from 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) 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) 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.
- 1.4** 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** Relief will be made to qualifying businesses based on a percentage calculation of its net rate liability (after any mandatory/discretionary reliefs have been awarded).
- 2.2** In addition to Government Guidelines, Car Parks, Schools and Colleges and Army Barracks are ineligible for this additional relief.

- 2.3** All awards are subject to a subsidy allowance, which replaced State Aid, which gives a maximum of financial support that businesses can receive.
- 2.4** CARF will be awarded to eligible business rate accounts before the Council starts its annual billing processes for 2022/2023. The relief is to be automatically awarded to business rate accounts for the financial year 2021/2022 according to Government guidelines.
- 2.5** A financial modelling exercise has been undertaken on identified eligible businesses. The details of this modelling exercise are set out in the financial implications section of this report.
- 2.6** Businesses that have been missed from the modelling and are eligible can apply for this funding up until 30 September 2022. It is therefore prudent that the Council's full funding allowance is not utilised to ensure it is able to address any future claims.
- 2.7** Letters will be sent to individual businesses following the CARF award explaining that if the business exceeds subsidy limits, or the business has not been adversely affected by COVID-19, the ratepayer should respond as such 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.
- 2.8** Where businesses have already paid their liability for 2021/2022 financial year, credits will be rolled over to the businesses 2022/2023 liability, unless a business specifically requests a refund.
- 2.9** To date the Expanded Relief Discount that was extended to help the Leisure, Hospitality and Retail sectors awarded £17,690,273 of relief from business rates relief in 2020/2021 and £9,726,510 to date in 2021/2022. The Council has also awarded Nursery Discount business rates relief of £234,865 in 2020/2021 and £140,986 to date for 2021/2022.
- 2.10** This means that the Council has over the last two years awarded COVID related discretionary relief of £27,792,634 prior to the CARF being applied and on top of the £48,370,387 distributed through the various COVID-19 grant schemes making a total of over £75m of support for West Oxfordshire businesses.

3. FINANCIAL IMPLICATIONS

- 3.1** For West Oxfordshire District Council the allocation made by the government is £2,277,757. The government will fully reimburse the Council for discretionary awards that comply with the guidance up to the maximum level of its funding allocation.
- 3.2** The Council will also receive New Burdens Funding from Government for administering the scheme. This amount is still to be decided and Chief Finance Officers will be notified of the settlement.
- 3.3** To enable the Council to allocate this funding a modelling exercise has been carried out using the base information within the rating lists to establish excluding those businesses ineligible from claiming. The modelling seeks to allocate out the funding in proportion to their net liability so that relief is obtained on a proportionate basis across the list.
- 3.4** The results of the modelling show that the impact of the funding is to provide relief against the net liability based upon options of 15%, 16% or 17%.

Model Option	No of Businesses	Amount of Net Liability	Relief Amount	Funding Remaining
15%	992	£13,728,448	£2,059,267	£218,490
16%	992	£13,728,448	£2,196,552	£81,205
17%	992	£13,728,448	£2,333,836	(£56,079)

- 3.5** It is recommended that the option providing 15% relief is chosen to provide capacity to award relief to any businesses that are not identified within the modelling but whom might be eligible. The funding remaining for future allocation on the recommended option is £218,490 which amounts to just under 10% of the allocation.

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 Department for Levelling Up, Housing and Communities Guidance.

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 £218,490 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 2010 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 that recommended within this report.