

Leicester City Council

Business Rates Covid-19 Additional Relief Fund (CARF) 2021/22 Phase 1

1. What is the Covid-19 Additional Relief Fund?

1.1 This fund, established by the Government, is to support businesses affected by the pandemic, which were ineligible for existing support linked to business rates liability for 2021/22 only. Eligibility will be determined through an application process to Leicester City Council (the Council), for a discount from the 2021/22 liability in accordance with this policy and the Government's COVID-19 Additional Relief Fund (CARF) guidance released in December 2021¹. Only occupied businesses with a liability to pay a charge for 2021/22 are eligible to apply for the discount. Any determination by the Council must be made by the 30 September 2022.

1.2 This Policy is subject to change. Should any amendments or additions be required, the updated Policy will be republished. All applications received the day following any published amendments to the Policy will be assessed in accordance with that updated Policy.

2. Why was the Scheme introduced?

2.1 COVID-19 has presented a significant and unprecedented challenge for businesses. The Government has provided over £400 billion of direct support to the economy during the financial years 2020/21 and 2021/22, which has helped to safeguard jobs, businesses and public services in every region and nation of the UK through the pandemic. The Government's support has included making £16 billion available to provide business rates relief for retail, hospitality and leisure properties, given the direct impact of COVID-19 and the Government's interventions on businesses in these sectors. This scheme aims to support those businesses that were adversely affected by the pandemic but did not receive that other support.

¹https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1041468/CARF_LA_Guidance.pdf

3. What are the main features of the Scheme?

3.1 The Policy aims to operate the Scheme under guidance published by the Department for Levelling Up, Housing and Communities to award relief to qualifying businesses in respect of 2021/22 liability only. The Council has been allocated £8.7m from the Government for this scheme and will not be able to fund further reductions once this has been allocated. It is expected therefore that most relief allocations to successful applicants will be limited to a certain percentage, which means that businesses who do qualify may still have business rates to pay. The application process may be oversubscribed, with many more relief applications compared to funds available. To ensure fairness of allocation, the Council will operate an application window and once closed, will determine the amount to be awarded in each case where the qualifying conditions are met.

4. Am I eligible for the CARF Scheme?

4.1 In determining a discount, and in line with Government guidelines, the Council:

- a) must not award relief to ratepayers who for the same period of the relief either are or would have been eligible for the Expanded Retail Discount (covering retail, hospitality and leisure sectors) or the Nursery Discount.
- b) must not award relief in respect of a property for a period when it is unoccupied (other than hereditaments which have become unoccupied temporarily due to the Government's advice on COVID-19).
- c) will direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.
- d) cannot grant the discount to itself or to a precepting body.

4.2 To be eligible for relief a ratepayer must:

- a) be liable and occupying the property for business rates in Leicester during the financial year 2021/22, notwithstanding the exclusions above.
- b) be or have been adversely impacted by the pandemic.

- c) not be a business which does not directly employ anyone in respect of the rateable property, for example advertising boards, ATM, telephone masts and unmanned carparks/car spaces.
- d) not be in administration, liquidation or subject to a strike off notice on Companies House.
- e) not have entered a Company Voluntary Arrangement (CVA) or Individual Voluntary Arrangement (IVA) during 2020/21 or 2021/22.
- f) not be a public organisation, including government departments, legislative bodies, local government (or local government owned companies), NHS (NHS and Foundation Trusts, practitioners who provide services under contract to the NHS), maintained schools, academy schools and further or higher education, fire and rescue, police, or ambulance service.

4.3 The relief will be awarded after all other discounts and reliefs and as such, if there is no business rates to pay due to a full reduction, the ratepayer will not be eligible for this relief.

4.4 For clarity, some businesses that received certain covid business support grants may be eligible under this scheme - for example, a business that received a £10,000 small business grant but was not eligible for the Expanded Retail Discount or the Nursery Discount; or a business that received a discretionary grant as a supplier to the leisure and hospitality sectors.

4.5 The Council will assess by way of an application whether a ratepayer has been adversely affected by the pandemic and has been unable to adequately adapt to that impact. Since the CARF is a financial relief scheme, the Council has determined that the test applied will relate to an adverse financial effect.

4.6 The impact will be assessed from the change in turnover from 2019/20 to 2021/22, the figures for which will need to be provided on the application form and validated by an accountant's letter or audited accounts filed at Companies House. Businesses will be classed as having had a low, medium and high impact and relief awarded accordingly. The impact thresholds and relief percentages for each classification will be determined after the closing date for all applications to ensure that the fund for this scheme is fully utilised in line with the number of qualifying applications received.

Caps to the level of relief may be applied at ratepayer and/or property level. The Council reserves the right to amend this methodology and open a further window for applications.

4.7 The Council believes that whilst understanding how a business is/has been impacted by Covid-19 is not an exact science, business turnover figures will provide a sound basis for assessment together with a statement of how it has adapted to the pandemic. Turnover in this context is defined as the total sales made by the business over the periods stated above – it can also be referred to as gross revenue or income.

4.8 The Council also considers that in order to be able to demonstrate that a ratepayer has been adversely affected by the pandemic, it will be necessary for the business to show that it has traded continuously from either the current rateable property or continuously from different properties since before the first lockdown of 23 March 2020.

4.9 The amount of relief will be based on a percentage of the liability as at the date of the decision of the CARF application. If the rates liability for the 2021/22 financial year changes (for example, because of a retrospective rateable value change), the total value of the relief awarded may be amended at the Council's discretion. For increases in rates liability this will be considered following a request for review from the ratepayer, and only if sufficient funding is available under this scheme. For decreases adjustments will be at the Council's discretion, but the level of relief can never exceed the overall liability in 2021/22. Additionally, the relief will be conditional upon the ratepayer and hereditament continuing to meet the eligibility criteria for the 2021/22 financial year. Any award will therefore be ceased or amended should such a change in eligibility occur. However, relief values will not be changed after 31 March 2023, except where a new lower rateable value results in a net credit on the account due to the relief previously awarded, in which case the adjustment will be made so that there is no refund due to the original relief awarded.

4.10 There is a requirement for any relief awarded made under this scheme to be subsidy allowance compliant. Please see further government guidance on this via the link at the bottom of this page (Section 19-29).²

4.11 In order for an application to be considered, we require businesses to demonstrate that they meet the eligibility criteria stated above.

4.12 All awards of this relief will be by a reduction applied towards the 2021/22 rates liability. No refund payments will be made, except where the application of the relief results in an overpayment due to previous payments made. In these cases, refunds will be issued as soon as possible following the award.

5. How do I apply?

5.1 The application process will be administered through the Council's website and portal. Email or paper applications will not be accepted. Any ratepayer unable to complete the online form, should email: c19discretionarygrant@leicester.gov.uk Applications may be made by the ratepayer or a representative with authority to act on its behalf. No new applications can be made after the deadline as per 5.3 below.

5.2 The electronic application process will allow the Council to evaluate the applications, undertake pre-award checks to confirm eligibility and assess the level of relief for each case.

5.3 The application window will be open from 4 April 2022 to 1 May 2022. This will be followed by an assessment period that will be completed as soon as possible afterwards. We are aiming for all award and unsuccessful notifications to be issued by 10 June 2022.

5.4 If further funding is provided by the Government or funding is unspent there will be additional application rounds. Businesses that earlier received relief funding in a previous round will be ineligible from any further relief application rounds.

²https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1041468/CARF_LA_Guidance.pdf

5.5 As a condition of relief being awarded, businesses will need to sign a declaration stating that: they are eligible for the relief scheme, the information provided on their application form is true and accurate, they are fully compliant with the subsidy allowance limits, as well as giving the Council the permission to share data to check such compliance and that the other scheme conditions are complied with.

6. What do I need to provide with my application?

6.1 Applicants will need to provide:

- a) Business rates reference number
- b) Unique identifier, such as company registration number
- c) Turnover figures for 2019/20, 2020/21 and 2021/22 and a letter from your accountant confirming these and/or copies of audited accounts filed at Companies House. Estimated amount for 2021/22 can be stated if the actual figure is not available at the time of the application.
- d) Confirmation of Subsidy Allowance compliance and details (type and amount) of any subsidy received.

7. Appeals

7.1 An appeals process will be open to all rate payers in the City who feel that they meet the eligibility criteria of this policy and have not received a deduction from their business rates via this scheme.

7.2 All appeals **must** be made within 28 days of the award decision being issued, by emailing c19discretionarygrant@leicester.gov.uk – in the subject field box include ‘CARF Appeal’ followed by your business rates reference number beginning with 8.

7.3 Appeals will be considered in line with this Policy. Decisions are taken at the sole discretion of the Director of Finance in consultation with the Revenues & Benefits Manager.

7.4 All appeals will be reviewed within four weeks of submission of all necessary information. All decisions taken on appeals are final and the outcome will be recorded and delivered to the business in writing.

7.5 If an appeal is successful, rate relief will be backdated for the full eligible period within the 2021/22 fiscal year.

7.6 If an appeal is unsuccessful the only further recourse available to the applicant is a judicial review. A judicial review is how the decisions of billing authorities under discretionary powers may be questioned.

8. How does the Council prevent fraudulent claims for the Scheme?

8.1. The Council will not accept deliberate manipulation and fraud. Any business caught falsifying their records to gain relief under this scheme will face prosecution and any relief awarded will be clawed back without further reference to the ratepayer. This amount will then be subject to collection and enforcement action as set down in legislation.

8.2 All information is subject to internal and external audit assessment, as well as Government departmental checks.

8.3 Any applicant falsely declaring its circumstances or providing a statement in support of its application, may have committed an offence under the Fraud Act 2006.

9. What information could be shared regarding my application?

9.1 By applying for relief under this scheme all applicants give authority to the Council to share data for the efficient system administration and to protect the Public Purse, subject to the GDPR. This will include sharing data with other local authorities.

9.2 The Council will be required to share data with Government Departments for monitoring and other reasons. By applying for this relief all applicants give authority for this.

Appendix A: Background and Legislative Framework

1. Finance and Monitoring

1.1 The Council will operate the scheme under Government guidelines. Reliefs are limited by government allocation and cannot be increased.

1.2 The Revenues & Customer Support Service will undertake monitoring in relation to the available relevant budgets. The purpose is to ensure the scheme has sufficient funds to meet demand.

1.3 The Council will also monitor cases where a request has been refused to ensure decisions are being made fairly and consistently. The Council is subject to the general equality duty. This means that steps will be taken to monitor implementation of this policy to ensure no one is subject to disproportionate adverse treatment because they had a protected characteristic. The general equality duty requires that the Council has due regard to the need to:

- a) Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.
- b) Take steps to meet the needs of persons who share relevant protected characteristic that are different from the needs of persons who do not share it.
- c) Foster good relations.

2. Legislative framework & equality monitoring arrangements

2.1 The Council may use any evidence and information supplied to it in respect of the Scheme to check the eligibility of the applicant in respect of this scheme or any other welfare benefit, discounts, or exemptions in compliance with its powers and obligations under the General Data Protection Regulation 2018 and other related legislation. Our data sharing and fair processing details can be found at:

<http://www.leicester.gov.uk/your-council-services/council-and-democracy/key-documents/internet-disclaimer/>