

Leicester City Council

Business Rates Covid-19 Additional Relief Fund (CARF) 2021/22 Revised Policy September 2022 (Phase 2)

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 was determined under Phase 1 through an application process 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.

1.2 In line with 1.2 of the original policy (Phase 1), this is now the Council's updated policy (Phase 2).

1.3 Only occupied businesses with a liability to pay a charge for 2021/22 are eligible for a discount. Any determination by the Council must be made by the 30 September 2022.

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 was allocated £8.7m from the Government for this scheme and will not be able to fund further reductions once this has been allocated.

3.2 Following the operation of an application window in Phase 1, the Council has determined the amount to be awarded in each case where the qualifying conditions are met for the remaining funding, referred to in paragraph 4 of this policy. The unallocated support is now being awarded to qualifying businesses based on their 'standard industrial classification of economic activities' (SIC codes) and the impact on each sector because of the pandemic, as measured by the GVA (gross value added, please see annex A of the Government guidance). This is subject to a minimum award of £10. The relief calculation for each qualifying business under GVA % has been apportioned to the total and the remaining funding, to ensure fair distribution for the Council's allocation. The resulting percentage relief has been rounded.

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, as measured by GVA and in line with this policy conditions 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, as measured by 3.2 above.
- 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 Under Phase 2, the Council will assess from the Government guidance (see 3.2 above) and these policy conditions whether a ratepayer has been adversely affected by the pandemic and has been unable to adequately adapt to that impact.

4.6 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 or liability 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.

4.7 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 The Council reserves the right to make further enquiries where a business could have breached the subsidy conditions in line with Government guidance.

4.8 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. Overpayments will be used to offset any arrears outstanding for previous years first.

4.9 All qualifying businesses under Phase 2 will be notified by letter, and recipients are required to notify the business rates team if they exceed subsidy limitations or wish to refuse the award for any other reason. This should be done by emailing the business rates team at c19discretionarygrant@leicester.gov.uk.

5. Appeals

5.1 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.

5.2 All appeals **must** be made by emailing c19discretionarygrant@leicester.gov.uk – in the subject field box include ‘CARF Appeal’ followed by your business rates reference number beginning with 8.

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

5.3 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.

5.4 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.

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

5.6 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.

6. What information could be shared?

6.1 The Council will 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.

6.2 The Council will be required to share data with Government Departments for monitoring and other reasons. You can view our privacy policy at:

leicester.gov.uk/privacy

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 budget. The purpose is to ensure the scheme operates within Government's allocated amount.

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/>