

CABINET – 7TH APRIL 2022

Report of the Head of Customer Experience Lead Member: Councillor Tom Barkley

Part A

ITEM 8 BUSINESS RATES – COVID-19 ADDITIONAL RELIEF FUND (CARF)

Purpose of Report

This report asks Cabinet to approve the draft CARF Policy to enable the Council to distribute the allocated Government funding to support business rate paying customers

Recommendation

That Cabinet approve the draft CARF Policy as set out in Appendix A of this report.

Reason

To respond to the Department for Levelling Up, Housing and Communities request for our allocation of the funding to be distributed to appropriate businesses

Policy Justification and Previous Decisions

The Government announced a new COVID-19 Additional Relief Fund (CARF) of £1.5 billion. The purpose of the fund is to support those businesses affected by the pandemic but that are ineligible for existing support linked to business rates. The £1.5 billion will be allocated to local authorities based upon the estimated rateable value in each local authority rating list which falls within the scope of the fund.

In December 2021, the Government provided guidance of the scheme to enable Local Authorities to operate and deliver the CARF policy.

The Council has now considered the requirements of the policy as set out in the guidance and has developed a local policy for the implementation of the scheme to ensure we can offer support to those businesses in Charnwood that have not been able to access the previous financial support offered by Covid Business Grants

Implementation Timetable including Future Decisions and Scrutiny

If approved, it is anticipated that the scheme will be open from 1st May 2022.

Report Implications

The following implications have been identified for this report.

Financial Implications

The Department for Levelling Up, Housing and Communities is providing funding of £4.1m for the scheme and will also provide new burdens funding for the delivery of the scheme, this amount has not yet been confirmed, it is therefore not anticipated that the scheme will place any financial burden on to the Council

Overall, it is anticipated that the delivery of this scheme will have a small positive impact on the Council's financial position due to the increase in the collection of business rates.

Risk Management

The risks associated with the decision Cabinet is asked to make and proposed actions to mitigate those risks are set out in the table below.

Risk Identified	Likelihood	Impact	Overall	Risk Management Actions Planned
Resourcing to process the applications is insufficient	Unlikely (2)	Significant (2)	Low (4)	As this scheme is addition to the day-to-day duties of officer and due to other additional demands, such as the Council Tax Energy rebate Scheme there is significant pressures on the same team to deliver scheme however processing deadlines have been review to take into account this risk and the additional burdens funding will provide funding for additional resourcing is required

Equality and Diversity

Introduction of the CARF Policy would generally have a neutral impact of equality and diversity in Charnwood. An Equalities Impact Assessment has been prepared and is published as an appendix to this report.

Key Decision: Yes

Background Papers:

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Part B

Background

- 1.1 COVID-19 has presented a significant and unprecedented challenge for businesses. Since the start of the pandemic the Government's response to support businesses has been of a similarly unprecedented scale. The Government has provided over £400 billion of direct support to the economy during this financial year and last, which has helped to safeguard jobs, businesses and public services in every region and nation of the UK through the pandemic.
- 1.2 In December 2021 the government provided guidance on a new COVID-19 Additional Relief Fund (CARF) of £1.5 billion. The fund will be available to support those businesses affected by the pandemic but that are ineligible for existing support linked to business rates
- 1.3 The Council has been awarded £4.1m of funding, this amount is 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.
- 1.4 Utilising the principles of the guidance the Council is required to determined and adopt a local scheme that provides business rate relief to reduce chargeable amounts in respect of 2021/22 to those business affected by the pandemic but were ineligible for existing business rates support.
- 1.5 Central government will fully reimburse local authorities for discretionary relief awards which comply with this guidance up to the maximum level of the allocations.
- 1.6 In designing the discretionary relief scheme we must ensure:
 - not award relief to ratepayers who for the same period of the relief 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),
 - not award relief to a hereditament for a period when it is unoccupied (other than hereditaments which have become closed temporarily due to the government's advice on COVID-19, which should be treated as occupied for the purposes of this relief), and
 - direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.
- 1.7 The proposed scheme found in Appendix A, sets out the details of the scheme, how businesses can apply and the level of funding that can be

allocated to each business based on the rateable value. The determination of which business type will be eligible is based on the criteria as set in the guidance and the change in Gross Value Added (GVA) as a proxy for the economic impacts of COVID-19 on each business sector as set out within the guidance

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1041468/CARF_LA_Guidance.pdf#:~:text=About%20this%20guidance%201.This%20guidance%20is%20intended%20to,regard%20to%20when%20determining%20awards%20from%20the%20fund.

COVID-19 Additional Relief Fund **(CARF)**

1. Background to CARF Scheme

- 1.1 The Covid-19 pandemic is unprecedented and has had an immediate and significant impact on the borough of Charnwood. The government continues to develop a range of different grant packages to support businesses affected by the ongoing restrictions
- 1.2 As a result, the Government has now provided additional funding for under the COVID-19 Additional Relief Fund (CARF) scheme, which the Council is administering.

2.0 COVID-19 Additional Relief Fund (CARF)

On 25 March, the Government announced plans to provide an additional business rates support package, worth £1.5 billion, to support businesses in England affected by COVID-19 but not eligible for existing support linked to business rates.

Guidance on this support package, the COVID-19 Additional Relief Fund (CARF), applies to England only and can be found at:
<https://www.gov.uk/government/publications/covid-19-additional-relief-fund-carflocal-authority-guidance>

The £1.5 billion will be 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.

The relief is available to reduce chargeable amounts in respect of 2021/22 bills only.

- 2.1 The grant fund for the Charnwood Borough area is being managed by Charnwood Borough Council, which is responsible for delivering grants to eligible businesses and charities. The Council must follow the guidance set by the Government and can make discretionary grant relief payments under section 47 of the Local Government Finance Act 1988.
- 2.3 The Council has decided to set out the scope of the scheme on the website, providing clear guidance on which types of business are being prioritised, as well as the rationale for the level of grant to be provided.

- 2.4 The Government intends that this grant scheme widens access to support businesses that are struggling to survive due to the impact of the pandemic.

- 2.5 Potential applicants will be/are asked to note that:

Businesses that have already received grant payments that equal the maximum levels of State aid permitted under the de minimis and the Covid-19 Temporary State Aid Framework will not be eligible for these grant schemes. The Council does not have the discretion to vary this position.

Grants under this scheme will be subject to tax in line with the applicant's tax arrangements. For businesses, the Government advises this is only where there is an overall profit for the tax year once this award is included.

Grants awarded under this scheme will not generally affect the Council's business ratings list or any rates charges payable by the recipient.

Notwithstanding this, any applicant who should in fact be added to the rates list will be, which may result in a rates bill.

3.0 Total funding available

- 3.1 The allocation to Charnwood Borough Council under this scheme is £4,119,690.

- 3.2 As per point 12 of the guidance, if local authorities are funding the relief from the section 31 grant local authorities must:

a. Not award relief to ratepayers who for the same period of the relief 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. Not award relief to a hereditament for a period when it is unoccupied (Other than hereditaments which have become closed temporarily due to the government's advice on COVID-19, which should be treated as occupied for the purposes of this relief), and

c. Direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.

- 3.3 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, certain precepting authorities (e.g. a parish or county council) or a functional body, within the meaning of the Greater London Authority Act 1999.

4.0 Who can apply?

4.1 The Council will prioritise businesses in the following sectors:

- Manufacturing
- Arts, Entertainment and Recreation
- Health
- Transport
- Construction
- Administrative Services
- Wholesale and Retail
- Hospitality
- Information and Communication
- Professional Services

4.2 Who is not eligible under this scheme:

- Businesses who for the same period of the relief 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),
- Hereditaments where for the same period were unoccupied (Other than hereditaments which have become closed temporarily due to the government's advice on COVID-19, which should be treated as occupied for the purposes of this relief),
- Businesses that receive:
 - Rural or Small Business Rate Relief and have a 'nil' balance
 - 100% charitable relief
 - 100% public lavatory relief
- Business with a 'nil' rateable value
- Schools and universities
- Communication masts/stations, Independent Distribution Networks
- Home Office, HM Court Service, DVSA, and Severn Trent Water
- Precepting authorities and where the rate payer is the NHS Trust or a Medical Practice (Vets and dentists are excluded from this)

4.3 In order to assess against this CBC has set up an application process that applicants will be required to complete.

5.0 Application Process and Timescale

5.1 The application process will close once all funds have been allocated. Relief will be awarded on a first come first served basis based on the date of receipt of a fully completed and eligible application until the available funding is committed.

5.2 The Council invites applications via its website www.charnwood.gov.uk Any applicant who is unable to apply via the website should contact

DPF@charnwood.gov.uk to request support in completing an application

- 5.3 All applications will be checked for completeness and eligibility against the guidelines. If your application is incomplete or ineligible it will be rejected, and we will send you an e-mail outlining the reason(s). We are unable to progress incomplete or ineligible applications.
- 5.4 Along with the application form, applicants will be required to submit evidence with their application to demonstrate the evidence of trading?

6.0 Assessment / decision-making process

- 6.1 The Council will individually assess and validate applications as they are received and may request further information should it be required. The pre-payment checks will include confirming eligibility, checks against Companies House and other government websites.
- 6.2 Applicants would also be asked to confirm that by accepting the relief they are in compliance with all State Aid and Subsidy rules as set out within the guidance <https://www.gov.uk/government/publications/covid-19-additional-relief-fund-carflocal-authority-guidance>, that to the best of their knowledge they are eligible for the scheme, and acknowledge that the council reserves the right to recover any funding made in error or as the result of misleading information being submitted and that they are happy for their information to be stored in adherence to the relevant GDPR regulations. The Council's website will require applicants to confirm acceptance of various compliance statements through tick boxes.
- 6.3 All applications will be checked for completeness and eligibility against the guidelines. If your application is incomplete or ineligible it will be rejected, and we will send you an e-mail outlining the reason(s). We are unable to progress incomplete or ineligible applications. Information provided to support an application after the set deadline period will not be considered.
- 6.4 The Council will undertake written post payment assurance around compliance, in particular State Aid as per the request set out in the guidance provided by national government for post payment monitoring and reporting
- 6.5 There is no right to appeal, and the decision of the Council is final. The Council's interpretation of this document is at its own discretion, and it will be the final arbiter of the definitions contained within this policy

7.0 How will the value of relief be calculated?

- 7.1 Charnwood Borough Council has determined that the value of any relief awarded will be in the following bandings:

Eligible businesses will receive:

- £1,500 for businesses with a rateable value of £15,000 or under.
- £5,000 for businesses with a rateable value between £15,001 and £50,999
- £7,500 for businesses with a rateable value of between £51,001 and £100,000.
- £10,000 for businesses with a rateable value of £100,001 and over

For all business types, the value of the relief awards may be pro rata'd should the qualifying number of applications exceed the funding pot available.

- 7.2 As allowed within the guidance, the Council reserves the right to award a higher level of funding to support larger businesses that are important to our local economy. This allocation will be determined on a case-by-case basis.
- 7.3 Reliefs will be awarded on a first come first served basis based on the date of receipt of a fully completed and eligible application until the available funding is committed
- 7.4 We reserve the right to modify and/or withdraw each award and its associated conditions, particularly to ensure that public money is spent well. This may be in response to changes in national legislation, local economic and health conditions, and changes in funding circumstances.
- 7.5 Where the award of the relief creates a credit on the account this will automatically be rolled forward to the 2022/23 bull unless the business specifically requests a refund of the credit

8.0 Managing the Risk of Fraud

- 8.1 The Council and the Government will not accept deliberate manipulation and fraud. Any business or person caught falsifying their records or the information submitted to gain an award will face prosecution and any funding issued will be subject to clawback, as may any awards paid in error.
- 8.2 The Council reserves the right to use any details submitted by businesses to check against national records and databases to highlight any potentially fraudulent activity.
- 8.3 Any award of financial relief is subject to the properties continuing eligibility. If eligibility changes the relief would be subject to clawback.

9.0 Policy Review

- 9.1 This policy has been written in line with Government guidance. It will be subject to dynamic review as circumstances dictate and in line with

future clarifications and changes that may be announced by the Government.

Strategic Director of Environmental & Corporate Services

Charnwood Borough Council

April 2022

Equality Impact Assessment

**COVID 19 – Business Grant
Management and
Administration**

- **Background**

An Equality Impact Assessment is an improvement tool. It will assist you in ensuring that you have thought about the needs and impacts of your service/policy/function in relation to the protected characteristics. It enables a systematic approach to identifying and recording gaps and actions.

- **Legislation- Equality Duty**

As a local authority that provides services to the public, Charnwood Borough Council has a legal responsibility to ensure that we can demonstrate having paid due regard to the need to

- ✓ Eliminate discrimination, harassment, victimisation.
- ✓ Advance Equality of Opportunity
- ✓ Foster good relations

For the following protected characteristics:

- ✓ Age
- ✓ Disability
- ✓ Gender reassignment
- ✓ Marriage and civil partnership
- ✓ Pregnancy and maternity
- ✓ Race
- ✓ Religion or belief
- ✓ Sex (Gender)
- ✓ Sexual orientation
- ✓ Socially excluded groups

What is prohibited?

- ✓ Direct Discrimination
- ✓ Indirect Discrimination
- ✓ Harassment
- ✓ Victimisation
- ✓ Discrimination by association
- ✓ Discrimination by perception
- ✓ Pregnancy and maternity discrimination
- ✓ Discrimination arising from disability
- ✓ Failing to make reasonable adjustments

Complete this action plan as you go through the questions

- **Step 1 – Introductory information**

Title of the policy	COVID – Business Grant Funding
Lead officer and others undertaking this assessment	Karey Barnshaw
Date EIA started	9 March 2022
Date EIA completed	11 March 2022

● **Step 2 – Overview of policy/function being assessed**

Outline: What is the purpose of this policy? (Specify aims and objectives)
<p>The business grants process has been developed as an online process only. Central government guidance outlined this as the process.</p> <p>The Government announced a new COVID-19 Additional Relief Fund (CARF) of £1.5 billion. The purpose of the fund is to support those businesses affected by the pandemic but that are ineligible for existing support linked to business rates. Utilising the principles of the guidance the Council has determined a local scheme that provides business rate relief to reduce chargeable amounts in respect of 2021/22 to those eligible businesses.</p>
What specific group/s is the policy designed to affect/impact and what is the intended change or outcome for them?
It is the Council's aim to ensure that the funding process is inclusive to all eligible businesses.
Which groups have been consulted as part of the creation or review of the policy?
<p>Creation of the COVID-19 funding has been allocated via Central Government.</p> <p>Evaluation takes place on successful applications to analyse whether businesses are eligible to receive funding / relief as set out by clear guidelines.</p>

● **Step 3 – What we already know and where there are gaps**

<p>List any existing information/data do you have/monitor about different diverse groups in relation to this policy? Such as in relation to age, disability, gender reassignment, marriage and civil partnership, pregnancy & maternity, race, religion or belief, sex, sexual orientation etc.</p> <p>Data/information such as:</p> <ul style="list-style-type: none"> • Consultation • Previous Equality Impact Assessments • Demographic information • Anecdotal and other evidence
Analysis of all COVID-19 business grants and those that fulfil funding criteria.
What does this information / data tell you about diverse group? If you do not hold or have access to any data/information on diverse groups, what do you need to begin collating / monitoring? (Please list)
Analysis of previous grants programmes have demonstrated that these contribute to a wide range of businesses covering the majority of the protected characteristics.

● **Step 4 – Do we need to seek the views of others? If so, who?**

Considering the answers given in Step 2, do you need to consult with specific groups to identify needs / issues? If not explain why.
Further equalities monitoring may be required for those businesses which have applied and are deemed unsuccessful in order to identify any issues or potential barriers. However, at this stage of

analysis it is felt the information currently held is sufficient to analysis trends and determine any barriers or negative impacts.

● **Step 5 – Assessing the impact**

Considering any data/consultation/information and your own knowledge, identify whether the policy has a positive or negative impact on the individuals or community groups who identify with any 'protected characteristics' and provide an explanation for your decision. Please refer to the general duties on the front page.	
Age	Negative impact - Information regarding the COVID- 19 business grant application process is available in an online format only as recommended by central government.
Disability <ul style="list-style-type: none"> Physical Visual Hearing learning disabilities mental health 	Negative impact - Information regarding the COVID- 19 business grant application process is available in an online format only as recommended by central government.
Gender Reassignment (Transgender)	Neutral Impact - no areas have been specifically funded to support the protected characteristics of gender reassignment.
Race	Neutral Impact - no areas have been specifically funded to support the protected characteristics of race. I
Religion or Belief (Includes no belief)	Neutral Impact - no areas have been specifically funded to support the protected characteristics of religion and belief.
Sex (Gender)	Neutral Impact - no areas have been specifically funded to support the protected characteristics of sex.
Sexual Orientation	Neutral Impact – no areas have been specifically funded to support the protected characteristics of sexual orientation.
Other protected groups <ul style="list-style-type: none"> Pregnancy & maternity Marriage & civil partnership 	Neutral Impact – no areas have been specifically funded to support the protected characteristics under other protected groups.
Other socially excluded groups <ul style="list-style-type: none"> Carers Low literacy Priority neighbourhoods Health inequalities Rural isolation Asylum seeker and refugee communities 	Neutral Impact – no areas have been specifically funded to support the protected characteristics of socially excluded groups.

Where there are potential barriers, negative impacts identified and/ or barriers or impacts are unknown, please outline how you propose to minimise all negative impact or discrimination.

- If you have identified adverse impact or discrimination that is illegal, you are required to take action to remedy this immediately.

<ul style="list-style-type: none"> Additionally, if you have identified adverse impact that is justifiable or legitimate, you will need to consider what actions can be taken to mitigate its effect on those groups of people.
<p>In relation to age and disability to ensure the service is inclusive CBC provide call backs and assisted applications to those that require support or do not have internet access.</p> <p>In addition, both customer services and the grants team maintain contact with those who need / require assistance during the business grant process.</p> <p>The process will also be monitored as part of the ongoing review of business grants administration.</p>
<p>Summarise your findings and give an overview as to whether the policy will meet Charnwood Borough Council's responsibilities in relation to equality and diversity (please refer to the general duties on the front page).</p>
<p>It is the opinion that the administration and management of COVID-19 related business grants complies with Charnwood Borough Council's equality, diversity and inclusion responsibilities.</p>

● **Step 6- Monitoring, evaluation, review**

<p>Are there processes in place to review the findings of this Assessment and make appropriate changes? How will you monitor potential barriers and any positive/ negative impact?</p>
<p>Monitoring of the COVID-19 business grants will take place on a periodic basis, this continuous monitoring and analysis will aim to identify gaps which may potentially highlight barriers or negative impacts towards specific business groups / protected characteristics.</p>
<p>How will the recommendations of this assessment be built into wider planning and review processes? e.g. policy reviews, annual plans and use of performance management systems.</p>
<p>Where barriers / negative impacts are identified, the mitigating action and progress against these will be included within future funding allocation reviews.</p>

● **Step 7- Action Plan**

Please include any identified concerns/actions/issues in this action plan. The issues identified should inform your Service Plan and, if appropriate, your Consultation Plan			
Reference Number	Action	Responsible Officer	Target Date
001	Continue to monitor COVID-19 business related funding and assess funding allocation is successful and identify any areas for improvement / review	Karey Barnshaw	Ongoing
002	Continue to monitor marketing and promotion of funding, taking positive action to promote targeted communications if required.	Karey Barnshaw	Ongoing

● **Step 8- Who needs to know about the outcomes of this assessment and how will they be informed?**

	Who needs to know?	How they will be informed (we have a legal duty to publish EIA's)
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Employees	X	This EIA will be published on the Council's website.
Service users	X	
Partners and stakeholders	X	
Others		
To ensure ease of access, what other communication needs/concerns are there?		

● **Step 9- Conclusion (to be completed and signed by the **Service Head**)**

Delete as appropriate
I agree with this assessment
If <i>disagree</i> , state action/s required, reasons and details of who is to carry them out with timescales below.
Signed (Service Head): Karey Barnshaw
Date: 11/3/22

Please send completed & signed assessment to **Vicky Brackenbury** for publishing.