

Urgent report to Cabinet

12 January 2022

Subject:	Business Rates Covid Additional Relief Fund
Cabinet Member:	Councillor Maria Crompton - Cabinet Member for Finance and Resources
Director:	Simone Hines – Director of Finance
Key Decision:	Yes
Contact Officer:	Ian Dunn ian_dunn@sandwell.gov.uk Carl Jones carl_jones@sandwell.gov.uk

1 Recommendations

That approval be given to:


- 1.1 Approve Sandwell's policy for administering the Business Rates Covid Additional Relief Fund (CARF) arising from new regulations introduced through the Government's Department for Levelling Up, Housing and Communities.
- 1.2 The sum of £7,582,533 Sandwell has received to support businesses that we identify as meeting the eligible criteria.
- 1.3 That the Director of Finance be authorised to make any changes necessary to the Business Rates Covid Additional Relief Fund policy in order to ensure all the funding is expended within the time frame.



2 Reasons for Recommendations

- 2.1 In late December 2021, the Government, through the Department for Levelling Up, Housing and Communities introduced new financial support for businesses called CARF.
- 2.2 Throughout the pandemic, the service has been responsible for paying out many Covid support grants to businesses. To ensure businesses receive the financial support they are entitled to, we want to make the CARF scheme as simple as possible, and make the awards without the need for businesses to apply. We know from previous experience that when we have run an application process not all businesses apply for support they might be entitled to even when we contact them directly to make them aware of potential support.
- 2.3 We will therefore, based upon the guidance issued by the government, identify the businesses entitled to the CARF and then award relief directly to their business rates accounts.
- 2.4 This will ensure the financial support will be paid to businesses a lot quicker than via an application process.

3 How does this deliver objectives of the Corporate Plan?

	A strong and inclusive economy	Collection of Business rates is important as it gives the council money to spend and invest locally. The award of this relief will reduce the amount of Business Rates the Council has to collect and will give additional financial support to businesses
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4 Context and Key Issues

- 4.1 This fund will be available to support those businesses affected by the pandemic but that are ineligible for existing support linked to business rates. Sandwell has been allocated £7,582,533 to support businesses in this way and we have identified approximately 1700 businesses who could be entitled to some financial support.
- 4.3 Relief will be granted to businesses using discretionary relief powers under section 47 of the Local Government Finance Act 1988. This means the relief will be awarded through business rates accounts via our business rates systems. Revised business rate 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.
- 4.4 The purpose of this report is for Cabinet to agree the policy created to oversee the award of this discretionary business rates relief.
- 4.5 Eligibility criteria:
- This relief is payable in respect of the 2021-22 financial year only
 - Businesses must have been adversely affected by the pandemic and not be in receipt of Expanded Retail Relief or Nursery Discount or unoccupied during 2021-22
 - Businesses owned or funded by the local authority are not supported
 - Businesses must have been trading as at 1st April 2021
 - Changes after 1st January 2022 will not be amended retrospectively
- 4.6 Sandwell Council will support businesses in the following sectors based on information provided in the Government's guidance notes as to those who were most affected, to support the award of this relief;
- Information and Communication
 - Wholesale and Retail



- Offices not included in other business sector categories
- Retail and hospitality properties not receiving relief elsewhere
- Mining and quarrying
- Transport
- Manufacturing

4.7 Each business we aim to support using CARF will receive relief equal to 18% of their respective business rates liability for 2021/22. This will spend around £6.9m of the CARF.

4.8 By awarding 18% of our funding this will retain about £633,000 to support any businesses which challenge the fact that they have not received the relief and subsequently prove that they are eligible. Businesses will be provided via our website with instructions as to how to challenge any instance where the relief has not been awarded.

4.9 If having made all awards (and after addressing any potential challenges) some of the funding remains unallocated, payments will be allocated to some of those other business sectors who were less affected, that were not initially included in the list of those we wish to support. This funding will be allocated to those businesses evidencing the biggest negative financial impact.

4.10 Where relief applied to an account subsequently puts the account into credit if possible we will move this credit to the next financial year 2022-23. Where a refund is formally requested by a business this be refunded.

5 Alternative Options

5.1 As an alternative to the direct award of CARF we could introduce an application process which would enable those businesses who feel they might qualify for the relief to apply via an online form.

5.2 This would delay getting the financial support out to the businesses who require this financial support, and the potential for businesses to miss out on the support by not applying.



- 5.3 An application process would also take up a lot of staff resource to manage due to the potential number of applications we may receive and the limited resource we have available to us.
- 5.3 As any awards we give out are reimbursed to the Council in the form of a Section 31 grant it is in our own interests and our local businesses interest to make these awards as quickly and efficiently as possible.

6 Implications

Resources:	The Business Rates Team (part of Revenues and Benefits) will be responsible for updating computer systems to award relief on relevant accounts.
Legal and Governance:	Relief will be granted using discretionary powers under section 47 of the Local Government Finance Act 1988.
Risk:	If businesses are not provided with this relief then they may not be able to pay their Business Rates bills. This would in turn affect our ability to collect business rates and ultimately if collection is down then this reduction may negatively affect the Council's ability to provide services.
Equality:	No impact
Health and Wellbeing:	No impact
Social Value	No impact

7. Appendices

7.1 CARF policy

8. Background Papers

None

