

Covid-19 Additional Relief Fund

Report to Executive



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PORTFOLIO	Resources & Performance Management
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PURPOSE

1. The purpose of the report is to seek approval for the eligibility criteria for the Covid-19 Additional Relief Fund.

RECOMMENDATION

2. It is recommended that the Executive:
 - a) Approves the eligibility criteria and allocation of the Covid-19 Additional Relief Fund as set out in appendix 1.
 - b) Delegates authority to Head of Finance and Property in consultation with the Executive Member for Resources and Performance Management to agree any amendments to the allocation to ensure any remaining funding is awarded.

REASONS FOR RECOMMENDATION

3. On 15th December 2021 the Government announced a new Covid-19 Additional Relief Fund, with an allocation for the Council of £2.04 million. The fund is available to support those businesses affected by the pandemic but that are ineligible for existing support linked to business rates.
4. The proposed scheme is based on a hybrid approach to awarding relief automatically, for relief below the threshold, and an application form for those at or above the threshold. This was to ensure that the relief was awarded equitably to those businesses that had been impacted more during the pandemic.

SUMMARY OF KEY POINTS

5. Covid-19 has presented a significant and unprecedented challenge for businesses. The Government has provided support throughout pandemic including funding to provide business rates relief for retail, hospitality and leisure properties given the direct impact of Covid-19 on businesses in these sectors.
6. On 15th December 2021 the Government announced a new Covid-19 Additional Relief Fund of £1.5 billion. The fund will be available to replace the legal right to appeal to the Valuation Office Agency on Material Change of Circumstances grounds due to COVID. The scheme has been designed to provide as much support to affected businesses as possible.
7. Billing authorities are responsible for designing the discretionary relief schemes that are to operate in their areas. However, in developing and implementing their schemes local authorities must, if they are funding the relief from the section 31 grant:
 - 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,
 - 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.
8. Billing authorities may not grant the discount to themselves and certain precepting authorities (e.g. a parish or county council). Telephone masts, storage pods and containers, cemeteries, advertising rights and public bodies will also be ineligible for this business rate relief.
9. In total, £2,042,781 has been allocated to the Council for this scheme.
10. Once all ineligible hereditaments have been discounted, 636 hereditaments will be eligible for the fund. It is proposed to cap the amount of relief awarded to each businesses at £25,000. All businesses below the cap will automatically be awarded 28% relief for each hereditament which will be credited against their 2021/22 business rates liability. In order for the Covid-19 Additional Relief Fund to benefit the maximum number of businesses, it is proposed to cap the amount of relief awarded to each business at £25,000, as previously mentioned. Businesses that exceed the cap will be required to complete an online application form before any relief is awarded.
11. The scheme will operate as a hybrid scheme – with some businesses automatically being awarded the relief and others having to apply. This will ensure that those businesses whose relief entitlement is below the cap of £25,000 will receive the relief promptly. A completed application form is required for those businesses that exceed the cap of £25,000 to ensure that they can demonstrate a need for the relief. This will ensure that relief is awarded to those businesses in need. The cap of relief to be awarded to each

business was set at £25,000 to ensure affordability of the scheme to ensure that the maximum number of businesses possible can benefit from the relief.

12. A number of options were considered for the scheme. The reason for implementing this scheme is because it was deemed to be the fairest and most efficient delivery mechanism whilst seeking to support all sectors that we understand to have been affected by the pandemic.
13. Any funding remaining following the closing date of the application process will be distributed by amending the percentage automatically awarded to businesses in order to maximise the funding allocation.
14. The Council's scheme is contained within Appendix 1.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

15. As set out in the body of the report.

POLICY IMPLICATIONS

16. The decision supports the Council's strategic priorities for economy and growth.

DETAILS OF CONSULTATION

17. None

BACKGROUND PAPERS

18. None

FURTHER INFORMATION

PLEASE CONTACT:

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and Property**

ALSO:

Amy Johnson – Finance Manager