

Public
Key Decision - Yes

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: National Non-Domestic Rates Discretionary Rate Relief Policy - review

Meeting/Date: Overview and Scrutiny (Performance and Growth) – 2 March 2022
Cabinet 17 March 2022

Executive Portfolio: Executive Councillor for Corporate Services

Report by: Revenues and Benefits Manager

Ward(s) affected: All

Executive Summary:

The Council, in its role as Billing Authority, has the power to set its own discretionary rate relief policy in line with Section 47 of the Local Government Finance Act 1988 as amended by the Localism Act 2011.

The current policy was approved in February 2017 and is effective until March 2023. It covers the Council's approach to dealing with reliefs including where the Council is fully re-imbursed by Central Government and makes specific reference to:

- Part-occupied properties
- Charities, Community Amateur Sports Clubs and Non-profit making organisations
- Hardship cases

This report is required solely due to the introduction of a new relief that will form part of the overall Council's Discretionary Rate Relief Policy. There is no change to the rest of the current policy or to the decision making processes although some of the wording has been updated.

The new Covid Additional Relief Fund (CARF) is designed to support businesses impacted by the Covid pandemic that have not been eligible for other rate relief schemes, by reducing the chargeable amount of Business Rates in respect of the financial year 2021/22.

Funding of just over £4m is being allocated for the Council to discharge its duty under CARF.

The guidance from the Department of Levelling Up, Housing and Communities (DLUHC) sets out the basic eligibility criteria but makes it clear that it is for individual Councils to adopt a local scheme.

A policy has been produced that will maximise support in the form of rate relief to local businesses most effected by the pandemic but will minimise the risk of overspending the £4m budget.

Although it will be fully funded, the discretionary nature of the scheme means that formal approval of the policy is required.

Recommendation:

The Cabinet is

RECOMMENDED

to approve the inclusion of the Covid Additional Relief Fund policy into the existing National Non-Domestic Rates Discretionary Rate Relief Policy with effect from 1 April 2022.

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to seek approval of the CARF policy that will form part of the overall National Non-Domestic Rates Discretionary Rate Relief Policy.

2. BACKGROUND

- 2.1 Although the current Discretionary Rate Relief policy will remain in force until March 2023, the introduction of a new discretionary relief scheme requires formal approval for inclusion in the overall policy.
- 2.2 The new CARF scheme is designed to reduce the chargeable amount of Business Rates payable by businesses during the financial year 2021/22 and will come into effect from 1 April 2022.
- 2.3 Although CARF is fundamentally a discretionary scheme, in order to receive £4,075,840 in funding from DLUHC, the Council's local scheme must only support businesses:
- adversely affected by the pandemic that have been unable to adapt their business model
 - that have been in continuous occupation
 - that have not benefited from previous Covid related relief schemes such as the Expanded Retail Discount aimed at business in the retail, hospitality and leisure sectors
- 2.4 The detail of which businesses should benefit from the relief is at the discretion of each local authority.
- 2.5 The proposed CARF scheme for Huntingdonshire District Council broadly reflects the schemes that Cambridge City Council and South Cambridgeshire District Council intend to implement so that there is parity for all businesses in the area.

3. ANALYSIS AND DETAILS OF THE CARF POLICY

- 3.1 The policy has been developed using the underlying principles provided in guidance from DLUHC. To determine the businesses that would most benefit from this relief, reference has been made to data provided by DLUHC that sets out the levels of economic impact that the pandemic has had on different business sectors during 2020 and 2021.
- 3.2 The policy is designed to assist businesses have been unable to access other forms of rate relief.
- 3.3 Businesses applying for an award through the CARF policy will need to demonstrate that they:
- have been in continuous occupation since 11 March 2020
 - have seen a reduction of at least 30% in annual turnover between 2019/20 and 2020/21
 - have been adversely affected by the pandemic
- 3.4 The policy includes a list of types of business that would generally be excluded from receiving funding through CARF, including business sectors where the impact of the pandemic, according to DLUHC, was relatively small compared to other sectors, but officers will have discretion to consider an application from any business that can demonstrate they meet the underlying criteria of the scheme.

- 3.5 Applications will be accepted from local businesses between 1 April and 13 May 2022. The amount of award made to each qualifying business will be decided after 13 May 2022.

4. COMMENTS OF OVERVIEW & SCRUTINY

- 4.1 The comments of the relevant Overview and Scrutiny Panel will be included in this section prior to its consideration by the Cabinet.

5. KEY IMPACTS

- 5.1 The funding of just over £4m will support local businesses adversely affected by the pandemic by reducing the amount of Business Rates payable.

6. TIMETABLE FOR IMPLEMENTATION

- 6.1 The scheme will commence on 1 April 2022 with all reliefs being awarded by 30 September 2022.

7. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES

- 7.1 The payment of reliefs under the CARF scheme will support the corporate objective of Place - Accelerate business growth and investment.

8. LEGAL IMPLICATIONS

- 8.1 Section 47 of the Local Government Finance Act 1988 allows local authorities to grant relief using their discretionary powers.

9. REASONS FOR THE RECOMMENDED DECISIONS

- 9.1 The approval of the CARF scheme policy will provide an important source of financial support to local businesses affected by the pandemic.

10. LIST OF APPENDICES INCLUDED

Appendix A – Huntingdonshire District Council's National Non-Domestic Rates Discretionary Rate Relief Policy

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