

COVID-19 ADDITIONAL RELIEF FUND (CARF)

This scheme forms part of the Local Discretionary Rate Relief Scheme, providing the principles upon which the Council will deal with applications for awards against the 2021/22 business rate account, from the COVID -19 Additional Relief Fund. Support will be directed towards ratepayers not in receipt of other reliefs, who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.

This document sets out the broad framework of principles to be used in decision making for this new scheme covering the financial year 1 April 2021 to 31 March 2022.

SCHEME PRINCIPLES:

The scheme principles provide a framework for eligibility when considering the application, thus providing clarification and guidance to officers. To be eligible for CARF, the business must fulfil the following criteria:

- must be registered for Business Rates with Preston City Council
- must **not** be eligible for Extended Retail Discount, or Nursery Discount
- the property must have been occupied for the qualifying period (other than if the property was closed temporarily due to COVID-19 restrictions)
- must be able to demonstrate and evidence that the business has been adversely affected by the pandemic if requested to do so and they have been unable to adequately adapt to that impact;
- must **not** be in administration, insolvent or been struck off the Companies House register
- must **not** have exceeded the permitted subsidy control limits

Accounts in receipt of retail/nursery discount have been removed from the list of eligible properties along with any account/periods which related to empty rate charges, and any accounts receiving 100% small business rate relief resulting in no charge.

Utility supplies, NHS properties, educational premises (schools, colleges and universities - although private schools remained eligible due to the loss in fees), telecommunication companies, telephone masts and Government departments will not qualify for relief as it is considered that they have not been impacted and were able to adequately adapt.

Eligible ratepayers will receive an award of 27% rateable value discount, capped at £25k maximum reduction, leaving a small contingency fund to cover appeals and any backdated claims up to the cut-off date of 30th September 2022. Examples of business types benefitting from the scheme includes car parks suffering reduced numbers, dentists, kennels/catteries, vets, taxi offices, advertising rights and those operating from offices in reduced capacity. None of these have previously qualified for business grants.

Relief is granted using discretionary relief powers under section 47 of the Local Government Finance Act 1988 and successful applicants will be awarded relief as a percentage of the business rates liability for 2021/22, after other discretionary and mandatory reliefs have been granted.

Following the allocation of the relief, any credit in the 2021/22 year will either be used to offset outstanding liability from previous years or may be refunded if payment for the current year is up to date.

Where a qualifying ratepayer's 2021/22 rates bill is adjusted for any of the following reasons resulting in a reduction in relief granted, the award may be adjusted in anticipation of future government reclaim:

- an amended rateable value in the 2017 rating lists
- the provision of a certificated value for the 2017 rating list or historical change
- the application of any additional rate relief or exemption
- vacation and re-occupation of the property

However, for adjustments made as a result of an increase in the rateable value, the amount of relief awarded will be capped at the original amount, to prevent any additional burden falling on the Council after the scheme has closed.

Applications will not be considered where it is the Council's view that the award of any relief is not in the best interest of the taxpayers of Preston City Council, or where businesses are having a detrimental impact on the City, residents, or neighbourhoods, such as where the Council is taking enforcement action against a business for a serious offence.

Ratepayers operating an intermittent occupation tax mitigation / avoidance scheme will not be eligible for relief.

It is noted that the billing authority cannot grant the relief to itself in line with the legal restrictions in section 47 (8A) of the Local Government Finance Act 1988.

Right of Appeal

In all cases where an organisation disagrees with the Council's decision, an appeal may be made in writing to the Head of Shared Service within 14 days from the date of the decision

Fraud

The Government and Preston City Council will not tolerate any business falsifying their records or providing false evidence to gain this % reduction/ including claiming support above the subsidy control limits. A ratepayer who falsely applies for any relief; or provides false information; or makes false representation in order to gain relief may be guilty of fraud under the Fraud Act 2006.