

## DELEGATED DECISION

8 April 2021



### **Business Grants: Local Restrictions Support Grants (LRSG), Restart Grants and Additional Restrictions Grant (ARG)**

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**Report of Paul Darby, Corporate Director of Resources (Interim)**

**Councillor Alan Napier, Cabinet Portfolio Holder for Finance**

#### **Electoral division(s) affected:**

Countywide

#### **Purpose of the Report**

- 1 To provide the latest information on the Local Restrictions Support Grant (LRSG) schemes to date.
- 2 To provide an update on the new Restart Grant and Additional Restrictions Grant (ARG) and obtain approval for adoption of the Council's Discretionary Rate Relief Policy & Business Rates Hardship Policy which has been updated to reflect recent scheme changes.

#### **Executive summary**

- 3 This update provides the latest position in terms of the support provided to businesses through both the National Local Restrictions Support Grant (LRSG) and locally determined Additional Restrictions Grant (ARG) schemes and builds on previous update reports.
- 4 Payments to businesses have now been made through the various strands of schemes available, through the restrictions and the various levels impacting how businesses operate. The latest round of payments, providing support for businesses during the period of National Lockdown have been made up to 31 March 2021.
- 5 In accordance with Government guidance, most of the current grant schemes currently in place closed to new applicants on 31 March 2021. After this date applications can only be accepted for the Durham Business Recovery Grant and the LRSG (closed) scheme for businesses affected by the National Lockdown between 16 February 2021 to 31 March 2021

- 6 As part of the Government's Road Map to Recovery announcements in relation to restrictions being eased; on 3 March 2021, they announced a Restart Grant Scheme which provides a one-off grant funding scheme to support non-essential retail, hospitality, accommodation, leisure, personal care and gym businesses; they must be trading and in a business rated property on 1 April 2021. The grants are intended to provide support for businesses that offer in-person services, where the main service and activity takes place in a fixed rate-paying premises, in the sectors identified.
- 7 There are two strands of the Restart Grants. Strand one provides for grants of up to £6,000 to be paid to non-essential retail business premises, which are on the ratings list, to help them reopen safely. Strand Two provides for grants of up to £18,000 allocated to hospitality, accommodation, leisure, personal care and gym business premises. We are set to receive £28,584,900 in Government funding to make these payments
- 8 There was also an announcement made in relation to an additional amount of Additional Restrictions Grant (ARG) being awarded to all Local Authorities; once confirmation has been received that the existing allocation has been spent by 30 June 2021. We have been notified that Durham's allocation for this will be £2,677,169. This is in addition to the current allocation of £15,310,733, of which £11,795,397 (77%) has been spent/committed.

### **Recommendation(s)**

- 9 That the Corporate Director, Resources, utilising the delegated powers afforded to him under Part 3 Paragraph 33, Table 7 of the Councils Constitution approve:
  - i) The amendments to the Councils Discretionary Rate Relief Policy & Business Rates Hardship Policy (as attached at Appendix 2) to add in new provisions for the Restart Grants and to remove provisions in relation to the LRSG schemes that have now closed.

## Background

- 10 To date, the following payments have been made to businesses eligible for support through the Local Restrictions Support Grant:

Grant	Number of grants paid	Amount of grant paid
Local Restriction Support Grant/Additional Restrictions Grant 18/09/2021 to 31 March 2021	28,703	£38,764,316
Christmas Support Payment (CSP/ARG)	432	£432,000
Closed Business Lockdown Grant (CBLG/ARG)	4,476	£17,971,892
Durham Business Recovery Grants	99	1,408,390
<b>Totals</b>	<b>33,710</b>	<b>£58,576,598</b>

- 11 In addition to the grant payments made from October 2020 as identified above, the Council has also paid out 8875 grants under the initial Small Business and Retail Hospitality and Leisure scheme, with main grants totalling £99,290,000 and the discretionary payments totalling £4,945,465 for 1,093 grants.
- 12 The latest announcement on support of businesses was made in relation to Restart Grants, as part of the Government's Road Map plan. There are two strands to the Restart Grants.
- 13 Strand one provides for grants of up to £6,000 to be paid to non-essential retail business premises, which are on the ratings list, to help them reopen safely. Strand Two provides for grants of up to £18,000 allocated to hospitality, accommodation, leisure, personal care and gym business premises.
- 14 The following thresholds will apply to the two strands as follows:

### Strand One: Non- essential Retail

Premises Rating Value at 1 April 2021	Award
£15,000 or below	£2,667
Over £15,000 and below £51,000	£4,000

£51,000 or over	£6,000
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## Strand Two: Hospitality, Accommodation, Leisure, Personal Care and Gym Businesses

Premises Rating Value at 1 April 2021	Award
£15,000 or below	£8,000
Over £15,000 and below £51,000	£12,000
£51,000 or over	£18,000

- 15 The Government guidance supporting the Restart Grants sets out the criteria for those businesses potentially eligible for the payments and those excluded from the scheme.

For **non-essential retail**, eligibility is around:

- Businesses offering in-person non-essential retail to the general public
- Businesses that were likely to have been required to cease their retail operation in the January 2021 lockdown
- Businesses that had retail services restricted during January lockdown
- Businesses that sell directly to consumers

- 16 For **hospitality**, eligibility is around

- Businesses offering in-person food and drink services to the general public
- Businesses that provide food and/or drink to be consumed on the premises, including outdoors.

- 17 For **Leisure**, eligibility is around

- Businesses that may provide in-person intangible experiences in addition to goods.
- Businesses that may rely on seasonal labour.
- Businesses that may assume particular public safety responsibilities

- Businesses that may operate with irregular hours through day, night and weekends

18 For **Accommodation**, eligibility is around

- Businesses that provide accommodation for 'away from home' stays for work or leisure purposes
- Businesses that provide accommodation for short-term leisure and holiday purposes.

19 For **Gym and Sports**, eligibility is around

- Businesses that offer in-person exercise and sport activities to the general public
- Businesses that open to members of the public paying an entry or membership fee
- Businesses that require extensive cleaning protocols, which significantly slow down trade
- Businesses that offer exercise classes or activities, which may mandate space and no masks etc

20 For **Personal Care**, eligibility is around

- Businesses that deliver in-person holistic, beauty and hair treatments
- Businesses that provide services such as tattoos and piercings
- Businesses that offer close-contact services, which are required to deliver the treatment
- Businesses that offer services, treatments or activities that require social distancing and cleaning protocols, which have led to a reduction in their capacity to deliver personal care services.

21 The Government have confirmed that we will receive 90% of the funding based on an initial estimate of eligible businesses, which will be "topped up" once spent. The scheme will close on 30 June 2021 and final payments have to be made by 31 July 2021. We have been informed that the funding allocated to us for this scheme is £28,584,900.

22 The Government have also stipulated in the guidance that we are required to carry out pre-payment checks on those businesses we will be making payments to – this requires checks in terms of the trading status of the company as well as checks in relation to the bank accounts. They strongly advocate the use of Companies House, Spotlight and the NFI system to

minimise the risk of fraudulent claims. The Finance Team are working with Internal Audit in order to progress these checks; this may delay the payments process as the NFI system is not available, nationally, from 1 to 15 April 2021; the Team are looking to identify businesses which have already had these checks and have been verified so some payments can be processed as soon as possible.

### **Additional Restrictions Grant (ARG)**

- 23 In addition, all local authorities will receive an additional allocation of ARG funding – predicated on the existing grant having been spent by 30 June 2021. The amount of additional ARG funding for Durham has been identified as £2,677,169. This funding is available for Local Authorities to use up to 31 March 2022
- 24 Durham's current allocation of ARG is £15,310,733. To date, £11,795,397 (77%) of this ARG funding has been spent/committed to provide support to businesses since 18/09/2020 when the first local restrictions were put in place; leaving £3,515,336 of ARG funding to be allocated to provide wider support to businesses across the county. On 26 March 2021, we launched the ARG home based/mobile business grant for those in the hospitality, leisure, accommodation and personal care sectors. To date, we have received 107 applications and processed 30 of these to payment (these amounts are not included in the figures above).
- 25 Some work has been undertaken to assess the current forecast spend against the ARG and discussions are taking place with the regional councils in the LA7 to determine the approach for further use of the ARG funding.
- 26 In relation to the work to assess what the expenditure would be if we were to replicate the original discretionary policy which made awards to those in "shared spaces" who aren't in the rating list but have fixed property costs, supply chain, dog kennels/catteries and coach companies – and apply this to the restart framework; we estimate that this would cost £2,870,742.
- 27 Once discussions have taken place with the LA7, a further report will be brought back to CMT to progress this in the next week or so.

### **Business Rates Relief**

- 28 The Treasury have announced a new Business Rates Relief Fund of £1.5b for businesses affected by Covid-19 outside of the retail, hospitality and leisure sectors. This follows their ruling that appeals against rates bills on the basis of material changes of circumstances due to the pandemic will be disallowed; legislation is being passed to support this.

- 29 We await details of the proposals on the new reliefs scheme and information on Durham's allocation; initial indications are that we will be allocated funding and asked to determine a local scheme targeted at businesses which have suffered an economic impact due to the pandemic. A further report on this will be brought back once more details are known.

## **Conclusions**

- 30 Work on the restart grants has commenced and these payments will be made in the next couple of weeks, depending on the outcomes from the required pre-payment checks.
- 31 Local authorities are also to receive additional ARG funding to enable them to support businesses not eligible for the grants. Proposals for how this will be utilised in terms of a discretionary policy will be developed, in line with discussions on a consistent approach with the LA7.

## **Background papers**

- MHCLG – Department for Business, Energy & Industrial Strategy guidance September 2020
- MHCLG – Department for Business, Energy & Industrial Strategy announcements on 9, 22 & 31 October 2020
- MHCLG – Department for Business, Energy & Industrial Strategy published guidance 3 November 2020
- MHCLG – Department for Business, Energy & Industrial Strategy published guidance 2 December 2020
- MHCLG – Department for Business, Energy & Industrial Strategy published guidance 24 December 2020
- MHCLG – Department for Business, Energy & Industrial Strategy published guidance 19 March 2021

## **Other useful documents**

- None

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## **Appendix 1: Implications**

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### **Legal**

Section 1 of the Localism Act 2011 provides Local Authorities with the powers to make the Local Restriction Support Grants including the Discretionary element.

The Council will be responsible for delivering the grant funding to eligible businesses utilising government grant provided to it under section 31 of the Local Government Act 2003.

Localised restrictions are legally binding restrictions imposed on specific Local Authority areas or multiple Local Authority areas, where the Secretary of State for Health and Social Care requires the closure of businesses in a local area under regulations made using powers in Part 2A of the Public Health (Control of Disease) Act 1984 in response to the threat posed by coronavirus and commonly as part of a wider set of measures

### **Finance**

We will receive £28,584,900 in Government funding to make the restart grant payments

A further allocation of ARG funding was announced to run alongside the restart grants scheme, to be made available to support businesses and we have been notified that we will receive £2,677,169. We are currently developing our discretionary policy to enable us to provide this support within the constraints of the funding allocated

It is important that the ARG funding is carefully considered in order to ensure a consistent approach which enables appropriate and proportionate spend of the funding available.

The Government have stated that they are committed to meeting the delivery costs to local authorities for this scheme and will meet associated New Burdens costs.

### **Consultation**

The Portfolio Holder for Finance and Economic Regeneration were consulted on the contents of this report and the updated policy to implement the proposals set out in this report. The proposals are consistent with the approach agreed across the LA7 group of North East Councils – covering the Combined Authority areas of NECA and NTCA.

## **Equality and Diversity / Public Sector Equality Duty**

An impact assessment of the current Discretionary Rate Relief and Hardship Relief policy was included in the July 2017 and February 2018 Cabinet Report.

Data on protected characteristics is not available to fully assess impact of the proposed Local Restriction Support Grant scheme.

The precise set of businesses eligible for the scheme may vary between each local lockdown area based on the conditions of the local lockdown set out by the government. This has a direct impact on the funding available for the Discretionary element of the Policy, as would the number of applications received.

The Discretionary element of the Policy will be monitored and reviewed, in order to maximise spend against the available grant. In addition, monitoring of any feedback will be captured throughout the period of the payment of these grants, and if required, amendments will be carried out to the policy

## **Human Rights**

None

## **Climate Change**

None

## **Crime and Disorder**

None

## **Staffing**

Enquires and processing of the Restart Grants will be handled by the Business Rates team, who will continue to work with colleagues in Business Durham. The volume and pressures of work will be closely monitored and if required increased resource will be put into the Business Rates team.

The enquires and processing of the Taxis Drivers Grants were handled by the Licensing Team and Business Support Team

The enquiries and processing of the Childminder and Childcare providers awards are being dealt with by the Early Years Team

The enquiries and processing of the driving instructor awards are being dealt with by the Transport Team

The schemes have generated an increase in the volume of work items received and customer contacts

## **Accommodation**

None

## **Risk**

Whilst the funding to be provided for the Restart Grants flexes depending on eligibility and demand, the ARG is a fixed sum

Communication of the policy is critical to ensuring that those businesses who are eligible to receive support access it but equally that the Council does not face unfair criticism of its approach from those businesses that will be ineligible.

Through regional working a consistent approach and set of guiding principles has been agreed across the LA7 group of North East Councils – covering the Combined Authority areas of NECA and NTCA. This report is consistent with those regionally agreed principles.

In developing the Councils local policy, the focus has been on following the Government guidance.

The amount of support provided will be carefully monitored to ensure that this funding is utilised. The level of award may be reviewed if it appears that the funding will be significantly underspent.

Within the policy the Council, reserves the right to withdraw the scheme or vary the terms of the scheme at any time, and without notice, should it be necessary to do so. in order to ensure we spend the full funding allocation but that we do not exceed this so far as is possible, recognising that any overspend will fall on the Council to fund.

## **Procurement**

None



**Discretionary Rate  
Relief & Business  
Rates Hardship Policy**

**April 2021**

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## 1 Introduction and Purpose of Policy Document

- 1.1 This policy has been designed to ensure that all customers making an application for rate relief are treated in a fair, consistent and equal manner.
- 1.2 This policy has been written to:
- (a) demonstrate how Durham County Council will operate its discretionary powers set out in the Local Government Finance Act (LGFA) 1988 and Localism Act 2011 and the factors that will be considered when deciding if relief can be awarded and the way in which the value of relief will be granted;
  - (b) demonstrate how Durham County Council will administer Government funded rates relief schemes – including the schemes first announced in 2017 and the extension of these schemes announced in December 2019 Queens Speech and the March 2020 budget plus the package of targeted measures announced in March 2020 and May 2020 to support businesses through the period of disruption caused by COVID 19. These schemes being:
    - support for small businesses losing Small Business Rate Relief (SBRR) as a result of the revaluation effective from April 2017, where increases would be limited to the greater of £600 or the real terms transitional relief cap for small businesses each year;
    - the new local discretionary relief scheme to provide support to businesses adversely impacted by the revaluation effective from April 2017; and
    - a one third discount for retail property with a rateable value below £51,000, subject to state aid limits for businesses with multiple properties, for one year from 1 April 2019, increasing to 50 percent discount for one year from 1 April 2020, but increased to 100% and extended to include the leisure and hospitality sectors in 2020/21;
    - A 100% nursery discount to hereditaments occupied by providers on Ofsted's Early Years Register and wholly or mainly used for the provision of the Early Years Foundation Stage;

- The Small Business Grant Fund and the Retail, Hospitality and Leisure Grant Fund for 2020-21
  - The Local Discretionary Grant Fund to support small businesses who were not eligible for the Small Business Grant Fund or the Retail, Hospitality and Leisure Grant Fund
- (c) set guidelines for the factors that should be considered when deciding to award or refuse an application;
- (d) set out the delegated authority to award relief in appropriate circumstances;
- (e) establish an appeals procedure for customers dissatisfied with a decision;
- (f) safeguard the interest of the local taxpayers by ensuring that funds that are allocated for the award of relief are used in the most effective and economic way.

## **2 Legislation**

- 2.1 Section 47 of the LGFA 1988 permits the billing authority to grant discretionary rate relief. This was amended by the Localism Act 2011 section 69 from 1 April 2012, which removed the previous restrictions of discretionary relief to only apply to charities and other organisations of prescribed types.
- 2.2 The billing authority may decide to grant relief, only if it is satisfied that it would be reasonable to do so, having regard to the interests of the council taxpayers.
- 2.3 Discretionary relief may not be granted where the property is an excepted property i.e. occupied by a billing authority or a precepting authority.

## **3 Business Rates – Discretionary Rates Relief Policy**

### **3.1 Equality and Fairness**

3.1.1 Each application for relief will be dealt with on its own merits and the council will treat all organisations that apply for discretionary rate relief equally and fairly. The scheme will operate in a manner that helps support Durham County Council priorities and key objectives contained in the Sustainable Community Strategy and the Council Plan. Public funds are not however unlimited, a proportion of the costs of relief granted is borne by council taxpayers.

### **3.2 Criteria Used in the Decision-Making Process**

3.2.1 The criteria to be used in deciding whether to give discretionary rate relief are based on assessing how an organisation's work helps achieve the Council's priorities and meeting the community's needs for services and facilities.

3.2.2 The following essential criteria **must** be met before Durham County Council would consider awarding discretionary rate relief:

- (a) The ratepayer must be a non-profit making body; and/or
- (b) Irrespective of whether an organisation is registered as a charity or not, the property must be used by the ratepayer wholly or mainly for charitable, philanthropic or religious purposes, or concerned with education, social welfare, science, literature and the fine arts, or the ratepayer must use the property wholly or mainly for recreation by a non-profit making club or society. This is essential if any relief (either mandatory or discretionary) is to be granted. In most cases this can be readily seen by inspection but on occasions the authority has had to question the actual use of the premises to which relief is being sort.
- (c) Consideration will be given as to what proportion of the premises is wholly or mainly used for the purposes of the organisation. Has the organisation exercised due diligence in ensuring the premises are of a suitable size for their requirement and have not committed to an onerous lease or excessive space?

3.2.3 It is possible for a voluntary organisation to apply for 100% discretionary rate relief, and for registered charities to apply for an additional 20% discretionary relief in addition to the mandatory relief they already receive providing they meet the essential criteria

detailed in the Levels of Discretion detailed in paragraphs 3.3.1 to 3.3.2.

- 3.2.4 Community Interest Companies (CICs) would not qualify for mandatory relief and any discretionary relief application would be considered based on the essential criteria detailed in the Levels of Discretion detailed in paragraphs 3.3.1 to 3.3.2.
- 3.2.5 There are, however, exceptions to this general rule which include: Housing Associations, Leisure Trusts, Voluntary Schools, Colleges and Universities or similar. These organisations are charitable trusts for the purposes of the rating legislation and qualify for mandatory relief. However due to the funding streams available no discretionary top-up relief will be granted to these bodies.
- 3.2.6 Every application for discretionary rate relief will be considered on an individual basis.
- 3.2.7 The Council will need to be satisfied that value for money is being provided to the people of County Durham, bearing in mind the relief an organisation will receive. In making awards, consideration will be given to the financial impact on the council and whether an organisation is already funded or commissioned by the council. The decision to award relief must only be taken where it is in the wider interest of Council Taxpayers in County Durham.
- 3.2.8 Relief may be refused if it is considered that the cost to the council and its taxpayers outweighs the benefit that will be gained from the award of the relief. If the benefit of the rate relief is kept locally, the relief is more likely to be awarded.
- 3.2.9 The finances of the organisation will be examined. This will include examination of the membership fees structure, examination and reasoning of level of reserves in relation to the amount of turnover and the rates charged, payments to staff and directors will all be taken into consideration when determining the application. If it appears that the reserve finances are not being used or partially used to benefit the local community, the application may be refused unless the ratepayer can demonstrate their reasoning.
- 3.2.10 Some organisations or charities do not need to be registered with the Charity Commission where the annual income is under £5,000. In these cases, if the organisation has applied to Her Majesty's

Revenue and Customs (HMRC) for tax relief, a HMRC number will be provided and mandatory relief can be awarded.

3.2.11 Organisations that meet the qualifying criteria for small business rates relief will not be considered for discretionary rate relief until they have applied for small business rates relief. This will reduce the financial contribution on the authority. These organisations even though they may not be a small business, are however ratepayers who are entitled to apply for this relief. Durham County Council will provide support and guidance on how to apply for small business rates relief from the Council.

### 3.3 Levels of Discretionary Rate Relief Available

3.3.1 Registered charities or equivalent already in receipt of mandatory relief will receive the following top up relief provided they meet the relevant criteria (as identified above):

<b>For Registered Charities or Equivalent (CASCs, CIO or Exempt Charities) entitled to Mandatory Rate Relief</b>	<b>% Relief Awarded (Top up to Mandatory Rate Relief)</b>
1. Community Centres/Community Associations and other registered charities responsible for paying rates on Community Centre and village halls.	100
2. Training Centres/Training Organisations offering schemes for particular groups to develop their skills e.g. young people, unemployed people.	100
3. National Charity Shops.	0
4. Local Charity Shops	100
5. Local Heritage Projects.	100
6. Essential Community Services e.g. CAB, Hospice, Samaritans.	100
7. Sports Clubs (Must be CASC or registered Charity).	Up to 100
8. Museums.	100
9. Private Schools, Leisure Trust, Universities/Colleges and Academies.	0

<b>For Registered Charities or Equivalent (CASCs, CIO or Exempt Charities) entitled to Mandatory Rate Relief</b>	<b>% Relief Awarded (Top up to Mandatory Rate Relief)</b>
10. Housing Associations or similar organisations	0

3.3.2 Non-Registered charities and community-based organisations will receive the following relief provided they meet the relevant criteria.

<b>Organisations not entitled to Mandatory Rate Relief but who are established Not for Profit Making Organisation</b>	<b>% Relief</b>
1. Community Centre, Community Associations, Agencies, Community Resource Centres which are not conducted for profit and which occupy premises that provide a community focal point.	100
2. Recreational community-based clubs or societies e.g. youth clubs, boy scouts, girl guides. (Sports Clubs will not qualify unless CASC or registered Charity).	100
3. Philanthropic organisations that are community based.	100
4. Religious organisations that promote an understanding of religion that leads to a greater awareness of religious differences within the community.	100
5. Educational organisations that provide education support or training.	100
6. Scientific organisations that promote an awareness of science etc.	100
7. Literature and Fine Arts that promote an awareness of Literature and Fine Arts.	100
8. Training Centres/Training Organisations offering schemes for particular groups to develop their skills e.g. young people, unemployed people.	100
9. Training Centres/Training Organisations offering schemes and advice to businesses.	50
10. Private Nurseries and Day Care Centres.	0
11. Community Interest Companies (CICs).	Up to 100

The following additional criteria will be used when dealing with applications for discretionary rate relief.

**Reason for Increasing Amount of Relief:**

1. Active encouragement of membership for all groups;
2. Affiliated to local or national organisations;
3. More than 50% drawn locally.

**Reason for Reducing Amount of Relief:**

1. Bar facilities\*\*;
2. Restrictive fees and Restrictive membership\*\*\*.

	<b>Maximum Percentage of Relief to be Awarded</b>
Bar Facilities** Licensed Bar – Full licence operating through the year for registered charities or CASC.	10% Discretionary Rate Relief top-up.
Licensed bar is open but where the club/organisation has a restricted seasonal/match day licence for registered charities or CASC	10% or 20% Discretionary Rate Relief top-up.
No Bar and a registered charity or CASC.	20% Discretionary Rate Relief or top-up.
Restrictive fees and membership*** Where coaching, mentoring or training is at a minimal cost and the membership subscription can be shown not to exclude the general community.	50%
Where the organisation encourages the young, those with disabilities and the elderly to partake in their activities and where the organisation benefits the local community by its activities.	40%
Where the organisation actively seeks to eliminate all forms of discrimination in its activities, in line with the new authority's own commitment to Equal Opportunities.	10%

3.3.3 Businesses in rural settlement lists will receive the following relief provided they meet the relevant criteria and receive mandatory rural relief.

<b>Rural relief</b>	<b>% Relief</b>
1. Sole shop in a rural settlement area selling mainly food and household goods meeting the criteria of mandatory relief.	100
2. Sole Post Office in a rural settlement area meeting the criteria for mandatory relief.	100
3. Sole public house in a rural settlement area meeting the criteria for mandatory relief.	100
4. Sole petrol station in a rural settlement area meeting the criteria for mandatory relief.	100

### **3.4 Claiming Mandatory and Discretionary Rate Relief**

3.4.1 A claim must be made using the discretionary rate relief application form which is available on the council's website ([www.durham.gov.uk](http://www.durham.gov.uk)). This application form and supporting information, including the Memorandum, Articles of Association or constitution, the latest Annual Report and the last two years professionally prepared account should be completed and returned to:

Durham County Council  
Revenues and Benefits  
PO Box 238  
Stanley  
County Durham  
DH8 1FP

3.4.2 It is the responsibility of the organisation applying for the relief to provide enough information and documentary evidence to support applications. If the organisation applying does not or will not provide the required evidence the application will still be considered but only based on the information and evidence provided.

### **3.5 Period of Award**

3.5.1 Entitlement to relief will be subject to a regular review or if there is a change in legislation that would affect its operation and considering council policies and priorities, any withdrawal or variation of relief is subject to one financial year's notice.

### **3.6 Notification of Award**

- 3.6.1 The Council will inform the organisation applying for relief, in writing of the outcome of their application for discretionary rate relief.
- 3.6.2 The Council will endeavour to determine any application received within 28 days of receipt of the full information required to assess the claim.
- 3.6.3 Where the application is not successful, the notification will provide full reasons why it has not been decided not to award discretionary rate relief and the applicant's right to ask us to look at the decision again.
- 3.6.4 Where the application is successful, the notification will include the percentage of relief awarded and details of when an amended Business Rate Demand will be issued.

### **3.7 Appeals**

- 3.7.1 If you disagree with a decision made under this policy, you must write and tell Durham County Council why you think the decision is wrong and provide any additional information in support of the claim. An independent panel will look at the case.
- 3.7.2 The panel will check the discretionary rate relief application thoroughly and take account of any additional information in your appeal letter. The panel will decide whether the criteria have been properly applied. The panel will confirm the decision, change the decision to pay more discretionary rate relief or change the decision to pay less discretionary rate relief.
- 3.7.3 Durham County Council will write to tell you the outcome of the appeal. There is no further right of appeal against the decision of the panel. Any further appeal against this decision must be done through judicial review proceedings.

## **4 Relief for Properties that are Partially Unoccupied for a Temporary Period**

### **4.1 Legislation**

- 4.1.1 Section 44A of the Local Government Finance Act 1988 enables a billing authority discretionary powers to grant relief on a property that is partly unoccupied or not fully occupied if it appears to the authority that this situation will remain for a “short period of time” only.
- 4.1.2 Partially occupied rate relief (also referred to as Section 44A Relief) is not intended to be used where part of a property is temporarily not used. The intention is aimed at situations where there are practical difficulties in occupying or vacating all a property.

## **4.2 Making an Application**

- 4.2.1 Applications must be made by the ratepayer.
- 4.2.2 Durham County Council will require a written application and the ratepayer must supply a plan of the property, with the unoccupied portions clearly identified and a timetable or schedule of works detailing plans for the phased occupation/vacation.

## **4.3 The Decision-Making Process**

- 4.3.1 Durham County Council will require accompanied access to the property during normal working hours to verify the application.
- 4.3.2 Relief will not be awarded under any circumstance where it is not possible to verify the application.
- 4.3.3 No award shall be made where it appears to the Council that the reason that part of the property is unoccupied is wholly or mainly for the purpose of applying for rate relief.
- 4.3.4 Durham County Council will notify the applicant of the decision in writing and where the relief is refused, an explanation of the reasons why will be given.
- 4.3.4 Durham County Council will not consider applications where the customer has failed to provide information within the timescales provided to them and will notify the customer in writing that the application has been refused.

## **4.4 Period of Section 44A Relief**

4.4.1 Section 44A Relief will only be applied to a property that is partly occupied for a temporary period. The relief can only be awarded for a maximum of three months in cases of offices and shops, or six months in the case of industrial properties.

4.4.2 Section 44A Relief will end under the following circumstances:

- (a) At the end of a financial year, regardless of the date relief was applied;
- (b) Where all or part of the unoccupied area becomes occupied;
- (c) The person liable for Business Rates changes.

#### **4.5 Calculation of Section 44A Relief**

4.5.1 Where Durham County Council agrees to award a Section 44A Relief, notification will be sent to the Valuation Officer to seek a reduction in the rateable value.

4.5.2 The amount of relief is calculated on a statutory basis based on the rateable value of the empty portion of the property. The appropriate rateable value is provided to Durham County Council by the Valuation Office Agency.

## **5 Business Rates – Local Newspaper Relief**

### **5.1 Legislation**

5.1.1 This relief was introduced from 1 April 2017 for an initial two-year period but was extended to three years in the October 2018 budget and extended for an additional 5 years until 31 March 2025 in the March 2020 budget. Under Section 47 of the Local Government Finance Act 1988 the billing authority has discretionary powers to grant relief in the prescribed circumstances.

### **5.2 Properties that will Benefit from this Relief**

5.2.1 A £1,500 business rates discount for office space occupied by local newspapers in England, up to a maximum of one discount per local newspaper title and per hereditament, and up to state aid limits.

### **5.3 Criteria used in the Decision-Making Process**

- 5.3.1 Durham County Council will require a written application form.
- 5.3.2 The new local newspaper relief is granted as de minimis aid for State Aid purposes. There is currently a ceiling of 200,000 Euros of de minimis aid that can be granted over a three-year rolling period.
- 5.3.3 Durham County Council will notify the applicant of the decision in writing and where the relief is refused, an explanation of the reasons why will be given.
- 5.3.4 Durham County Council will not consider applications where the customer has failed to provide information within the timescales provided to them and will notify the customer in writing that the application has been refused.

### **5.4 Period of Local Newspaper Relief**

- 5.4.1 The relief is applicable from 1 April 2017 to 31 March 2025.

## **6 Business Rates – Supporting Small Businesses Relief**

### **6.1 Legislation**

- 6.1.1 This relief was introduced from 1 April 2017 for a maximum of five years under Section 47 of the Local Government Finance Act 1988 and the billing authority has discretionary powers to grant relief in the prescribed circumstances.

### **6.2 Properties that will Benefit from this Relief**

- 6.2.1 Those ratepayers who as a result of the change in their rateable value at Revaluation in 2017 are losing some or all their small business or rural rate relief and as a result are facing large increases in their bills.
- 6.2.2 The supporting small businesses relief will ensure that the increase per year in the bills of these ratepayers is limited to the greater of:
  - (a) a cash value of £600 per year (£50 per month). This cash minimum ensures that those ratepayers currently paying nothing, or very small amounts are brought onto paying something; or,

- (b) the matching cap on increases for small properties in the transitional relief scheme.

### **6.3 Criteria used in the Decision-Making Process**

- 6.3.1 Durham County Council will identify those businesses that meet the qualifying criteria and write to them and/or require a written application form.
- 6.3.2 The Supporting Small Businesses relief is subject to de minimis State Aid rules, therefore any applicant or business where the relief is applied to will be required to confirm that the award of this relief does not contravene State Aid rules. There is currently a ceiling of 200,000 Euros of de minimis aid that can be granted over a three-year rolling period.
- 6.3.3 Durham County Council will notify the applicant of the decision in writing and where the relief is refused, an explanation of the reasons why will be given.
- 6.3.4 Durham County Council will not consider applications where the customer has failed to provide information within the timescales provided to them and will notify the customer in writing that the application has been refused.

### **6.4 Period of Supporting Small Businesses Relief**

- 6.4.1 Ratepayers will remain in the Supporting Small Businesses relief scheme for either five years or until they reach the level of charges they would have paid without the scheme.
- 6.4.2 A change of ratepayer will not affect the eligibility for the Supporting Small Businesses relief scheme.
- 6.4.3 Eligibility will be lost if the property becomes vacant or becomes occupied by a charity or Community Amateur Sports Club.

## **7 Business Rates – Local Discretionary Relief Scheme**

### **7.1 Legislation**

- 7.1.1 In the March 2017 Budget, the government announced the establishment of a discretionary fund over four years, from 2017/18, to support those businesses that face the steepest increases in their business rates bills because of the 2017 revaluation.
- 7.1.2 The government has used the increase in rateable values for those businesses valued up to £200,000 (small and medium sized businesses) to distribute funding to support Billing Authorities in implementing their local schemes. The funding provided to local authorities reduces year on year, with the expectation that the local discretionary relief provided reduces in line.
- 7.1.2 Billing authorities have been provided with a share of the funding to develop their own Local Discretionary Relief Scheme to deliver targeted support to the most hard-pressed ratepayers in their area. Funding cannot be carried over between years and any overspend against this funding being borne locally.
- 7.1.3 The discretionary scheme will be administered through existing discretionary powers under Section 47 of the Local Government Finance Act 1988.

## **7.2 Properties that will Benefit from this Relief**

- 7.2.1 Properties with a rateable value of less than £200,000 (i.e. small and medium sized businesses) that have had an increase in rateable value following the 2017 revaluation.
- 7.2.2 Properties where the ratepayer was liable for business rates on 31 March 2017 and continues to remain liable for business rates i.e. those small and medium sized businesses adversely impacted by the business rates revaluation and as a result have seen a net increase of over £600 in their rates bill.
- 7.2.3 Properties that continue to meet the above criteria will receive the following discounts:

2017/18 - 66% of the increase above £600;  
2018/19 - 27% of the increase above £600;  
2019/20 - 21% of the increase above £600;  
2020/21 - 5% of the increase above £600.

7.2.4 The amount of relief awarded may be reviewed in year and may be revised depending upon take up and the impact of appeals, to ensure the total amount of government grant received by Durham County Council is awarded to support local businesses.

### **7.3 Criteria used in the Decision-Making Process**

7.3.1 Durham County Council will identify those businesses that meet the qualifying criteria and write to them and/or require a written application form.

7.3.2 The local discretionary relief is subject to de minimis State Aid rules, therefore any applicant or business where the relief is applied to will be required to confirm that the award of this relief does not contravene State Aid rules. There is currently a ceiling of 200,000 Euros of de minimis aid that can be granted over a three-year rolling period.

7.3.3 Durham County Council will notify the applicant of the decision in writing where the relief is refused, an explanation of the reasons why will be given.

7.3.4 Durham County Council will not consider applications where the customer has failed to provide information within the timescales provided to them and will notify the customer in writing that the application has been refused.

7.3.5 Durham County Council will only apply the relief to those ratepayers becoming eligible due to a reduction in rateable value in the 2010 rating list where those reductions are agreed or settled on or before 30 September 2018.

### **7.4 Period of Local Discretionary Relief**

7.4.1 Ratepayers may remain in the local discretionary relief scheme for either four years or until the increase in rate liability (impact of the revaluation in April 2017) falls below £600.

7.4.2 Eligibility will be lost following a change in the person liable to pay business rates.

7.4.3 Eligibility will be lost if the property becomes vacant or becomes occupied by a charity or Community Amateur Sports Club.

## **8 Business Rates – Expanded Retail Discount**

### **8.1 Legislation**

- 8.1.1 In the October 2018 budget, the government announced a Business Rates Retail Discount from 1 April 2019 for a two-year period. In the March 2020 budget in response to the coronavirus pandemic the government announced that it would increase the discount to 100% and extend it to include the leisure and hospitality properties. In the budget on 3 March 2021 the government confirmed that the Expanded Retail Discount would continue to apply in 2021/22 at 100% for three months from 1 April 2021 to 30 June 2021 and at 66% for the remaining period, from 1 July 2021 to 31 March 2022
- 8.1.2 Under Section 47 of the Local Government Finance Act 1988 the billing authority has discretionary powers to grant the relief in the prescribed circumstances.
- 8.1.3 A ratepayer may refuse the Expanded Retail Discount anytime up to 30 April 2022. The ratepayer cannot subsequently withdraw their refusal for all or part of the financial year. Hereditaments where the ratepayer has refused the relief are outside of the scheme and outside of the decision of which hereditaments qualify for the discount and are therefore ineligible for the relief

### **8.2 Properties that will Benefit from this Relief**

- 8.2.1 Occupied properties with a rateable value of less than £51,000 that are wholly or mainly being used as shops, restaurants, cafes, drinking establishments, cinemas and music venues. From 1 April 2020 the discount has been expanded to include occupied properties that are wholly or mainly used assembly, leisure, hotels, guest and boarding premises and self-catering accommodation. There will be no rateable value limit on the discount for 2020-2022.
- 8.2.2 The value of the discount for the financial year 2019/20 will be one third of the bill after mandatory reliefs and other discretionary relief have been applied. The value of the discount will increase to 100 per cent of the bill, after mandatory reliefs and other discretionary reliefs have been applied from 1 April 2021 to 30 June 2021. From 1 July 2021 to 31 March 2022 the value of the discount will be 66% of the bill

after mandatory and other discretionary relief have been applied. The government have confirmed that there will be no cash cap on the relief received for the period from 1 April 2021 to 30 June 2021. From 1 July 2021, relief will be capped at £105,000 per business or £2 million per business where the business is in occupation of a property that was required, or would have been required, to close, based on the law and guidance applicable on 5 January 2021.

- 8.2.3 Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties subject to the cash caps

### **8.3 Criteria used in the Decision-Making Process**

- 8.3.1 Durham County Council will identify those businesses that meet the qualifying criteria and write to them and / or require a written application form.
- 8.3.2 The Retail Discount for the period 1 April 2019 to 31 March 2020 is subject to de minimis State Aid rules, therefore any applicant or business where the relief is applied to will be required to confirm that the award of this relief does not contravene State Aid rules. There is currently a ceiling of 200,000 Euros of de minimis aid that can be granted over a three-year rolling period. Given the impact of Covid-19 in the sectors receiving the relief, the expanded retail discount for the period 1 April 2020 to 30 June 2021 is not a state aid. From 1 July 2021, relief will be capped at £105,000 per business or £2 million per business where the business is in occupation of a property that was required, or would have been required, to close, based on the law and guidance applicable on 5 January 2021.
- 8.3.3 Durham County Council will notify the applicant of the decision in writing and where the relief is refused, an explanation of the reasons why will be given.
- 8.3.4 Durham County Council will not consider applications where the customer has failed to provide information within the timescales provided to them and will notify the customer in writing that the application has been refused.

### **8.4 Period of Retail Discount**

- 8.4.1 The discount will only be applicable from 1 April 2019 to 31 March 2022
- 8.4.2 Eligibility will be lost if the property becomes vacant. Following the announcement on 23 March 2020 of measures to limit the spread of coronavirus, the Government confirmed that retail, leisure and hospitality properties that will have to close as a result of the measures will remain eligible for the discount.

## **9. Business Rates – Nursery Discount**

### **9.1 Legislation**

- 9.1.1 On 18 March 2020 as an extraordinary response to the coronavirus, the Government announced a business rates Nursery Discount for one year from 1 April 2020. At the budget on 3 March 2021 the government announced that the Nursery Discount would continue to apply at 100% for eligible properties for the first three months of 2021 from 1 April 2021 to 30 June 2021 and at 66% for the remaining period, from 1 July 2021 to 31 March 2022
- 9.1.2 Under Section 47 of the Local Government Finance Act 1988 the billing authority has discretionary powers to grant the relief in the prescribed circumstances.
- 9.1.3 A ratepayer may refuse the Nursery Discount anytime up to 30 April 2022. The ratepayer cannot subsequently withdraw their refusal for all or part of the financial year. Hereditaments where the ratepayer has refused the relief are outside of the scheme and outside of the decision of which hereditaments qualify for the discount and are therefore ineligible for the relief

### **9.2 Properties that will benefit from this discount**

- 9.2.1 Properties that are occupied by providers of Ofsted's Early Years Register and wholly or mainly used for the provision of Early Years Foundation Stage
- 9.2.2 The value of the discount is 100% of the bill after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied for the period 1 April 2020 to 30 June 2021. For the period 1 July 2021 to 31 March 2022 the discount will be 66% of the bill after

mandatory and other discretionary relief have been applied. From 1 July 2021 the relief will be capped at £105,000 per business

- 9.2.3 Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties subject to the cash cap

### **9.3 Criteria used in the Decision-Making Process**

- 9.3.1 Durham County Council will identify those businesses that meet the qualifying criteria and write to them and / or require a written application form.
- 9.3.2 Given the impact of COVID-19 in the sector receiving the discount the Government's assessment is that the nursery discount for the period 1 April 2020 to 30 June 21 is not a state aid. . From 1 July 2021 the relief will be capped at £105,000 per business
- 9.3.3 Durham County Council will notify the applicant of the decision in writing and where the relief is refused, an explanation of the reasons why will be given.
- 9.3.4 Durham County Council will not consider applications where the customer has failed to provide information within the timescales provided to them and will notify the customer in writing that the application has been refused.

### **9.4 Period of Nursery Discount**

- 9.4.1 The discount will only be applicable for the financial years 2020/21 and 2021/22`
- 9.4.2 Eligibility will be lost if the property becomes vacant. Properties which have closed temporarily due to the government's advice on COVID-19 will be treated as occupied for the purpose of this discount.

## **10 Local Restriction Support Grant/Restart Grants**

### **10.1 Legislation**

- 10.1.1 On 1 April 2021, there are two grant funded schemes now in place to provide financial support to businesses:

## **10.2 Lockdown Grants**

10.2 During the period of National Lockdown, there is support for businesses mandated to close from 16 February 2021 to 31 March 2021. These grants also apply to businesses required to close their main services but have changed the nature of the business, for example through providing a “click and collect” service or takeaways rather than an in person service, such as a café or restaurant. There are to be 3 bands of grant:

- £2,096 for businesses with a rateable value of £15,000 or under;
- £3,143 for businesses with a rateable value between £15,000 and £51,000; and
- £4,714 for businesses with a rateable value of over £51,000.

10.2.1 In terms of the discretionary element of this scheme, Durham County Council will also support the one-off payment grants for businesses with retail, hospitality and leisure that are not within the local rating list and are required to close under the latest restrictions. These are the businesses which operate from a shared space in a recognised rated business premises with fixed property costs. These grants will be funded from the ARG. There are to be 3 bands of grant:

- £2,096 for businesses operating from a shared space in a recognised rated business premises with equivalent rent or property cost of £15,000 per annum or less;
- £3,143 for businesses operating from a shared space in a recognised rated business premises with equivalent rent or property cost of between £15,000 and £51,000; and
- £4,714 for businesses operating from a shared space in a recognised rated business premises with equivalent rent or property cost of over £51,000.

This scheme will close on 30 May 2021

## **10.3 Taxis Drivers**

10.3.1 Since March 2020, businesses within the hospitality industry have continuously been required to either remain closed or impacted by restrictions on socialising. Taxis drivers, have and continue to be severely impacted by these restrictions on socialising but are currently not receiving any support under our local schemes.

10.3.2 Drivers with active Durham County Council hackney carriage and private hire driver licences as at 18 September 2020 and any new licenses taken out up to 31 December will be eligible for a one-off £500 grant. These grants will be funded from the ARG.

10.3.2 The scheme will be open until 28 February 2021, with eligible Drivers targeted to go online and complete a simple form to capture the data required to enable payment of the grant

#### **10.4 Driving Instructors**

10.4.1 With the local tiered restrictions and national lockdowns there is significant impact on the ability of driving instructors to operate. Businesses within this sector have continue to have significant business cost, despite a lack of income – such as ongoing vehicle costs and insurance.

10.4.2 Driver Vehicle and Standards Agency - Licensed approved Driving Instructors, as at 18 September 2020 and any new licenses taken out up to 31 December 2020, resident within Durham County Council, will be eligible for a one-off £1000 grant. These grants will be funded from the ARG

10.4.3 The scheme will be open until 30 April 2021, with eligible Drivers to go online and complete a simple form to capture the data required to enable verification of eligibility and payment of the grant

#### **10.5 Childcare Sector**

10.5.1 With the COVID 19 restrictions regarding attendance at school and the requirement for home schooling/parents/guardians to work from home, those working in the private childcare sector have been affected by a significant reduction in income.

10.5.2 Registered Nursery settings and Out of school providers within Durham County Council will be eligible to a one-off payment of £2,200. These payments will be funded from the ARG

10.5.3 Registered Childminders resident within Durham County Council will be eligible to a one-off payment of £500. These payments will be funded from the ARG

10.5.4 The scheme will be open until 30 April 2021, with registered providers targeted to go online and complete a simple form to capture the data required to enable payment of the grant

#### **10.6 Home and Mobile Businesses within the Hospitality, Accommodation, Leisure and personal care sectors**

10.6.1 Durham County Council will support to home based and mobile businesses within the Hospitality, Accommodation and Leisure sectors through the Additional Restrictions Grant funding. Eligible businesses must:

- Demonstrate fixed business-related costs of at least £100 a month, these must be integral to the running of their business and does not include personal salary costs or rent / mortgage costs;
  - Evidence that the business provides the majority of the applicant's income (over 50%);
  - Demonstrate that the business is within the Hospitality, Accommodation or Leisure (HAL) sector, is in the HAL supply chain or provides in-person, face to face services;
  - Demonstrate that they have been severely impacted by local and/or national restrictions;
  - Evidence they were trading on 18 September 2020; and
- Demonstrate that they have not received or are eligible for a previous grant payment.

10.6.2 The level of support will be a one-off payment dependent on the amount of fixed costs businesses have per month, as follows:

- £100 to £200 fixed costs per month, they would receive £500
- £200 to £400 fixed costs per month, they would receive £1,000
- Fixed costs of more than £400 per month, they would receive £2,500

## **10.7 Business Recovery Grant**

10.7.1 With the national lockdowns and introduction of local tiered restrictions, businesses continue to face challenges in being able to return to normal trading and are experiencing increased costs of adapting workplaces and methods of operation at the same time as suffering reduced levels of income.

10.7.2 Economic recovery is going to take many months, if not years, and whilst the Government's extension to March 2021 of the package of measures to support jobs was welcome, businesses in the County also need additional support to be able to implement plans to adapt and recover.

- 10.7.3 Proposals are being considered by Cabinet in January to introduce a Business Recovery Grant Scheme, open to businesses located in the County in all sectors, in order to provide financial support for the implementation of business recovery plans.
- 10.7.4 The Durham Business Recovery Grants will support SMEs (small & medium size enterprises) and local businesses to recover from the impact of Covid and will help to protect jobs and the County's economy for the longer term.
- 10.7.5 Businesses will need to submit a credible plan to adapt and recover, demonstrating they require additional financial support to be able to implement it.
- 10.7.6 The proposed scheme will offer grants of £1,000 up to a maximum grant of £40,000. £2m of ARG funding is being utilised to augment the Councils own resources of £3m to provide a £5m package of support, with an intervention rate of 75%.

## 10.8 Restart Grants

- 10.8.1 The Government published its guidance in relation to Restart Grants on 19 March 2021. The Restart Grant Scheme provides a one-off grant funding scheme to support non-essential retail, hospitality, accommodation, leisure, personal care and gym businesses; they must be trading and in a business rated property on 1 April 2021. The grants are intended to provide support for businesses that offer in-person services, where the main service and activity takes place in a fixed rate-paying premises, in the sectors identified.
- 10.8.2 There are two strands of the Restart Grants. Strand one provides for grants of up to £6,000 to be paid to non-essential retail business premises, which are on the ratings list, to help them reopen safely. Strand Two provides for grants of up to £18,000 allocated to hospitality, accommodation, leisure, personal care and gym business premises.
- 10.8.3 The following thresholds will apply to the two strands as follows:

### Strand One: Non- essential Retail

Premises Rating Value at 1 April 2021	Award
£15,000 or below	£2,667
Over £15,000 and below £51,000	£4,000
£51,000 or over	£6,000

## Strand Two: Hospitality, Accommodation, Leisure, Personal Care and Gym Businesses

Premises Rating Value at 1 April 2021	Award
£15,000 or below	£8,000
Over £15,000 and below £51,000	£12,000
£51,000 or over	£18,000

10.8.4 The Government guidance supporting the Restart Grants sets out the criteria for those businesses potentially eligible for the payments and those excluded from the scheme.

For **non-essential retail**, eligibility is around:

- Businesses offering in-person non-essential retail to the general public
- Businesses that were likely to have been required to cease their retail operation in the January 2021 lockdown
- Businesses that had retail services restricted during January lockdown
- Businesses that sell directly to consumers

For **hospitality**, eligibility is around

- Businesses offering in-person food and drink services to the general public
- Businesses that provide food and/or drink to be consumed on the premises, including outdoors.

For **Leisure**, eligibility is around

- Businesses that may provide in-person intangible experiences in addition to goods.
- Businesses that may rely on seasonal labour.
- Businesses that may assume particular public safety responsibilities
- Businesses that may operate with irregular hours through day, night and weekends

For **Accommodation**, eligibility is around

- Businesses that provide accommodation for ‘away from home’ stays for work or leisure purposes
- Businesses that provide accommodation for short-term leisure and holiday purposes.

For **Gym and Sports**, eligibility is around

- Businesses that offer in-person exercise and sport activities to the general public
- Businesses that open to members of the public paying an entry or membership fee
- Businesses that require extensive cleaning protocols, which significantly slow down trade
- Businesses that offer exercise classes or activities, which may mandate space and no masks etc

For **Personal Care**, eligibility is around

- Businesses that deliver in-person holistic, beauty and hair treatments
- Businesses that provide services such as tattoos and piercings
- Businesses that offer close-contact services, which are required to deliver the treatment
- Businesses that offer services, treatments or activities that require social distancing and cleaning protocols, which have led to a reduction in their capacity to deliver personal care services.

## **10.9 Criteria Used in the Decision-Making Process**

10.9.1 Where required, an on-line application form will be used and supporting evidence will be required from applicants. Durham County Council will actively seek to encourage eligible businesses to apply for these grants

10.9.2 The payments made under Local Authority Discretionary Grant Fund are subject to **Small Amounts of Financial Assistance Allowance** Grants may be paid in accordance with Article 3.2(4) of the TCA, which enables an applicant to receive up to a maximum level of subsidy without engaging Chapter 3 of the TCA. This allowance is 325,000 Special Drawing Rights, to a single economic actor over any

period of three fiscal years, which is the equivalent of £335,000 as at 2 March 2021. An applicant may elect not to receive grants under the Small Amounts of Financial Assistance Allowance and instead receive grants only using the below allowances available under this scheme.  
COVID-19 Business Grant Allowance

10.9.3 Where the Small Amounts of Financial Assistance Allowance has been reached, grants may be paid in compliance with the Principles set out in Article 3.4 of the TCA and in compliance with Article 3.2(3) of the TCA under the **COVID-19 Business Grant Allowance** (subsidies granted on a temporary basis to respond to a national or global economic emergency). For the purposes of these scheme rules, this allowance is £1,600,000 per single economic actor. This allowance includes any grants previously received under the COVID-19 business grant schemes and any State aid previously received under Section 3.1 of the European Commission's Temporary Framework across any other UK scheme. This may be combined with the Small Amounts of Financial Assistance Allowance to equal £1,935,000 (subject to the exact amount applicable under the Small Amounts of Financial Assistance Allowance using the Special Drawing Right calculator).  
COVID-19 Business Grant Special Allowance

10.9.4 Where an applicant has reached its limit under the Small Amounts of Financial Assistance Allowance and COVID-19 Business Grant Allowance, it may be able to access a further allowance of funding under these scheme rules of up to £9,000,000 per single economic actor, provided the following conditions are met under COVID-19 Business Grant Special Allowance. The Special Allowance covers only the applicant's uncovered fixed costs incurred during the period between 1 March 2020 and 31 March 2022, Grant payments under this allowance must not exceed £9,000,000 per single economic actor. This allowance includes any grants previously received in accordance with Section 3.12 of the European Commission's Temporary 14 Framework

10.9.5 Durham County Council will notify the applicant of the decision in writing and where the relief is refused, an explanation of the reasons why will be given.

10.9.6 Durham County Council will not consider applications where the customer has failed to provide information within the timescales provided to them and will notify the customer in writing that the application has been refused.

10.9.7 Both pre and post payment verification process will be undertaken to match payments against HMRC and other Government data to verify claims made by businesses. The Government Grants Management Fund and Counter Fraud Function have made available their digital tool, Spotlight, to facilitate these checks. Any fraudulent claims / payments will be subject to recovery and potential prosecution.

10.9.8 There is no appeals procedure. It is up to Local Authorities to apply the guidance as they see fit

## **11 Hardship Relief for Business Rates**

### **11.1 Legislation**

11.1.1 The provisions are set out in Section 49 of the Local Government Finance Act 1988. Councils have the power to reduce or remit the business rate charge where it considers that 'hardship' would otherwise be caused to the ratepayer.

Hardship relief for non-domestic property is intended to provide short term assistance to a business suffering unexpected hardship, financial, or otherwise, arising as a result of exceptional circumstances or short term crisis beyond the business' control and outside of the normal risks associated with running a business of that type, to the extent that the viability of the business would be threatened if an award were not made. As the Hardship Relief scheme covers unforeseen events, it is not possible to offer precise definitions. However, a 'crisis' would have to result in a serious loss of trade or have a major effect on the services that can be provided.

11.1.2 'Exceptional circumstances' will usually be circumstances that came from outside the business or organisation and are beyond the normal risks faced by businesses and cannot be foreseen or avoided. The effect of strikes within a business or organisation, increased running costs and increased competition would not be considered as 'exceptional circumstances' as they are normal business risks.

### **11.2 Criteria Used in the Decision-Making Process**

11.2.1 Applications to reduce or remit the business rate charge will only be considered where the council is satisfied that the ratepayer would otherwise sustain hardship if no award was made and that it is reasonable to grant relief having regard to the interest of council tax payers who are affected by decisions under this section. This is because 50% of the cost of exercising this power must be funded by the Council through general fund expenditure.

11.2.2 Applications for hardship will be examined on a case-by-case basis and each application will be assessed on its individual merits. Other issues or requirements will also be considered in relation to the application as they arise including:

- (a) all applications should be made in writing from the ratepayer, their advocate/appointee or a recognised third party acting on their behalf, preferably using the relevant form, and should contain the necessary information to substantiate the request;
- (b) all applications are only intended as short-term assistance and will not extend beyond the current financial year, and should not be considered as a way of reducing Business Rate Liability indefinitely;
- (c) government guidance advises that remission of Business Rates on the grounds of hardship should be the exception rather than the rule;
- (d) the financial interests of the council taxpayers will not be the sole overriding factor e.g. impact on employment and amenities provision will also be considered. The test of 'hardship' is not confined strictly to financial hardship - all relevant factors affecting the ability of a business to meet its liability for rates are considered where readily available. Where the granting of relief will have an adverse effect on the financial interests of the council tax payers, relief may still be granted if the case for relief on balance outweighs the costs to taxpayers;
- (e) the potential amount of any relief may in some cases constitute state aid and therefore adherence to EU regulations must be followed;

- (f) the test of hardship will include an assessment of the ratepayer's individual accounts to verify that the payment of rates would cause hardship;
- (g) the assessment of the accounts will identify the cause of the business failings and a simple accounting calculation will be carried out as follows:
  - % of Rates to Sales;
  - % of Rates to Gross Profit;
  - % of Rates to Expenditure;
  - Ratio of Current Assets to Current Liabilities;
  - Ratio of Current Assets Less Stock to Current Liabilities.
- (h) relief will normally only be awarded retrospectively. However, where you can show that the circumstances will remain the same for a period up to the end of the current financial year relief may be awarded for the remainder of the year;
- (i) it is unlikely that Hardship Relief would be granted in respect of an empty property or where there is little expectation of economic survival;
- (j) it is expected that businesses should have taken prompt action to mitigate any factors giving rise to hardship. Examples of mitigating actions may include seeking business advice, discounts and promotions, reviewing pricing, extending the range of stock or services, negotiating with creditors etc. Applications may be declined in circumstances where the business is unable to demonstrate that it is taking reasonable steps to alleviate the hardship.

### **11.3 Period of Hardship Relief**

11.3.1 In all cases relief will end in the following circumstances:

- (a) At the end of a financial year;
- (b) All or part of the unoccupied area becoming occupied;
- (c) A change of liable person;
- (d) The property becomes empty or is used for a different purpose, or it becomes occupied;
- (e) The ratepayer enters any form of formal insolvency;
- (f) The ratepayer's financial circumstances significantly change. The ratepayer must inform the council if their circumstance

change, e.g. change in rateable value. Circumstances may also be reviewed by the council periodically where awards are made to confirm hardship persists.

11.3.2 From the assessment of the above criteria, the council will determine if the business is suffering from financial hardship due to the payment of Business Rates. If hardship relief is granted, applicants will be entitled to make further submissions in subsequent years. In the event of successive applications, evidence from an accountant or other professional adviser regarding the long-term viability of the business may be required.

## **11.4 Examples of Appropriate Circumstances**

11.4.1 The following examples indicate circumstances where it may be appropriate to award relief. They are included in this policy in the form of broad general guidelines and are not intended to be prescriptive:

- Without rate relief the business will close and deprive local residents of an essential service and a source of significant local employment;
- The ratepayer's business has been detrimentally affected by circumstances beyond the ratepayer's control and that do not constitute part of the normal risks in running a business of that nature (e.g. a natural disaster, an unusual or uncontrollable event in the neighbourhood of the business such as a fire making the immediate area of the business unsafe).

**N.B. in addition**, it must be in the interest of the community as a whole for Hardship relief to be granted.

## **11.5 Claiming a Reduction due to Hardship**

11.5.1 A claim must be made on an approved application form. This application form and any supporting information should be completed and returned to:

Durham County Council  
Revenues and Benefits  
PO Box 238  
Stanley  
County Durham

11.5.2 It is the responsibility of the ratepayer applying for relief to provide sufficient information and documentary evidence to support their applications. If the ratepayer applying does not or will not provide the required evidence, we will still consider the application but only on the basis of the information and evidence provided.

## **11.6 The Decision Making Process**

11.6.1 Upon receipt of a written application form, all supporting information must be included for consideration.

- Initial applications will be considered by Assessment & Awards Team Leader (Business Rates). These will include review sheet, with findings and financial implications and initial recommendations.
- Recommendations will then be forwarded to Assistant Assessments & Awards Manager via the Assessment & Awards Team Leader (Business Rates).
- These will then be forwarded to Head of Finance and Transactional Services for approval / refusal.
- Once a decision has been approved the ratepayer will be advised in writing of the decision.

## **11.7 Review of Decision**

11.7.1 Under the Local Government Finance Act 1988, there is no right of appeal against the council's use of discretionary powers. However, on individual discounts, the council will accept a customer's request from a ratepayer for a re-determination of its decision.

11.7.2 Red-determination requests will be considered as follows:

- Re-determination of the decision will be by the Corporate Director;
- The council will consider whether the ratepayer has provided any additional information that will justify a change to its original decision;
- The Council will notify the ratepayer of its decision within 21 days of receiving a request for a redetermination