



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

12 January 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):

For Registered Charities or Equivalent (CASCs, CIO or Exempt Charities) entitled to Mandatory Rate Relief	% Relief Awarded (Top up to Mandatory Rate Relief)
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

For Registered Charities or Equivalent (CASCs, CIO or Exempt Charities) entitled to Mandatory Rate Relief	% Relief Awarded (Top up to Mandatory Rate Relief)
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.

Organisations not entitled to Mandatory Rate Relief but who are established Not for Profit Making Organisation	% Relief
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***.

	Maximum Percentage of Relief to be Awarded
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.

Rural relief	% Relief
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). 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.
- 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.

8.2 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 2020/21
- 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 2020

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 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, leisure and hospitality discount in 2020-21 is not a state aid

- 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 for the financial years 2019/20 and 2020/21.
- 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.
- 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.

9.2 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

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 2020/21 is not a state aid.

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 year 2020/21

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

10.1 Legislation

10.1.1 On 31 October 2020, the Government announced there would be further funding to support businesses that continue to be impacted by Covid-19 pandemic restrictions. On 3 November 2020 further guidance was published which confirmed there are with three grant funded schemes now in place to provide financial support to businesses:

- **Local Restrictions Support Grant (Closed)** – Where national restrictions are imposed by Government, covering businesses within the business rates system that are required to close under Local Covid Alert Level ‘Very High’ restrictions (LCAL 3).
- **Local Restrictions Support Grant (Open)** – For businesses that are not legally required to close, but which are severely impacted by socialising restrictions under Local Covid Alert Level ‘High’ restrictions (LCAL 2). These are businesses in the hospitality, accommodation and leisure industries.
- **Local Restrictions Support Grant (Sector)** – For businesses that have been unable to reopen since 23 March 2020 – specifically nightclubs, dancehalls and discotheques + sexual entertainment venues and hostess bars, with eligibility starting on 1 November 2020.

10.1.2 With national restrictions (a new national lockdown) imposed to manage the spread of coronavirus a significant number of businesses were mandated to close for the period 5 November to 2 December 2020. During the period of the national lockdown, the Local Restrictions Support Grant (Open) and (Sector) cease to apply, and the Local Restrictions Support Grant (Closed) scheme supersede these, with the conditions set out in Local Restrictions Support Grant – (Closed) Addendum 5 November – 2 December 2020.

10.1.3 On 2 December 2020, the Government announced the introduction of additional support over the festive period for wet-led pubs – the Christmas Support Payment wet-led pubs (CSP) Scheme. Again, this scheme is to be administered by business rate billing authorities. Under this scheme wet-led pubs will receive a one-off grant of £1,000. For the purpose of this grant, a wet-led pub is defined as pub that derives less than 50% of its income from sales of food

10.1.4 Following the Prime Ministers announcement on 4 January 2021, that the country is to go into a further national lockdown from 5 January 2021. During the period of lockdown, the Local Restrictions Support Grant (Open) and (Sector) cease to apply, and the Local Restrictions Support Grant (Closed) scheme supersede these, with the conditions set out in Local Restrictions Support Grant – (Closed) Addendum Tier 4 19 December 2020.

10.1.5 In addition the Chancellor has announced further support for businesses through to Spring. There are to be one-off top grants for retail, hospitality and leisure businesses.

10.1.6 Local Covid restrictions are legally binding restrictions imposed on national or specific 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.

10.1.7 The Council will be responsible for delivering the funding to eligible businesses (using a grant under section 31 of the Local Government Act 2003). Government will, reimburse Local Authorities that pay grants to eligible businesses that are affected by a nation or local lockdown and required to close (with normal reconciliation between grant allocation and actual eligible costs).

10.2 Local Restriction Support Grant (Closed) - Businesses occupying hereditaments appearing on local rating lists (Tier 3)

10.2.1 This scheme is targeted at those businesses occupying a rated business premises which have been forced to close as part of the national lockdown; or where the substantive nature of the business has changed – for example a restaurant has closed but is offering a takeaway service during this period. The payments differ according to the size of the rateable value of the premises occupied that has been closed

10.2.3 Businesses that were open as usual and providing in-person services to customers from their business premises and then required to close for a consecutive period of no less than two weeks as a result of regulations made under the Public Health (Control of Disease) Act 1984 will be eligible for this funding. This could include, for example, non-essential retail, personal services or cafes/restaurants that operate primarily as an in-person venue but have been forced to close these services and instead provide takeaway-only services.

10.2.4 On 31 October 2020, the Prime Minister announced national restrictions (a new national lockdown) would be imposed to manage the spread of coronavirus. A significant number of businesses have therefore been mandated to close for the period 5 November to 2 December 2020. National guidance details which businesses must be closed during the national lockdown:
<https://www.gov.uk/government/publications/further-businesses-and-premises-to-close/closing-certain-businesses-and-venues-in-england> - this includes

- clothing stores and tailors
- homeware stores
- tobacco and vape shops
- electronic goods and mobile phone shops
- charity shops
- photography studios and antique stores
- markets (except livestock markets or stalls which fall under the list of essential businesses above, for example those selling food or hardware)
- car and other vehicle showrooms and other premises, including outdoor areas, used for the sale or hire of caravans, boats or any vehicle which can be propelled by mechanical means. However taxi or vehicle hire businesses can continue. For example a customer could order a rental vehicle online and collect it in person.
- car washes.
- auction houses (except for auctions of livestock or agricultural equipment).
- restaurants; pubs; bars, including those in hotels or members' clubs; social clubs
- cafes and canteens, excluding workplace canteens where there is no reasonable alternative
- hotels and other holiday accommodation

10.2.5 Businesses in a local or national lockdown that is implemented for less than two weeks and businesses that are closed for less than two weeks are not eligible for grant funding.

10.2.6 Grants are only available for business closures caused by restrictions that had their first full day on or after the 9 September. It is not retrospective.

10.2.7 Eligible businesses occupying hereditaments appearing on the local rating list with a rateable value of £15,000 or under on the date of the commencement of the lockdown will receive grants of £667 per fourteen days qualifying restriction period

10.2.8 Eligible businesses occupying hereditaments appearing on the local rating list with a rateable value of over £15,000 and less than £51,000 on the date of the commencement of the lockdown will receive grants of £1,000 per fourteen days qualifying restriction period

10.2.9 Eligible businesses occupying hereditaments appearing on the local rating list with a rateable value of £51,000 or over on the date of the commencement of the lockdown will receive grants of £1,500 per fourteen days qualifying restriction period

10.2.10 Any changes to the rating list (rateable value or to the hereditament) after the first full day of localised restrictions and business closures regulations came into force including changes which have been backdated to this date, will be ignored for the purposes of eligibility. Local Authorities are not required to adjust, pay or recover grants where the rating list is subsequently amended retrospectively to the local lockdown date.

10.2.11 The precise set of businesses eligible for the scheme may vary between each local lockdown area based on the localised restrictions that are established in recognition of the specific evidence and conditions for each area.

10.2.12 Subject to State Aid limits, businesses will be entitled to receive a grant for each eligible hereditament within the lockdown zone. So, some businesses may receive more than one grant where they have more than one eligible hereditament.

10.2.13 The exclusions to Local Restrictions Support Grant (business rate payers) are listed below:

- Businesses that can continue to trade because they do not depend on providing direct in-person services from premises and can operate their services effectively remotely (e.g. accountants, solicitors).
- Businesses in areas outside the scope of the localised restrictions, as defined by Government, are also excluded.
- Businesses that have chosen to close but not been required to will not be eligible for this grant.
- Businesses which have already received grant payments that equal the maximum levels of State aid permitted under the de minimis and the Covid-19 Temporary State Aid Framework.
- Businesses that were in administration, are insolvent or where a striking-off notice has been made at the date of the local lockdown are not eligible for funding under this scheme.
- Businesses still subject to national closures (e.g. nightclubs) will not be eligible (they will be supported through LRGs(Sector))

10.3 Local Restrictions Support Grant (Closed) – Discretionary

10.3.1 Local authorities can also make payments to businesses required to close under LCAL 3 and national restrictions who are not eligible for payments under the LRSG (C). These are predominately businesses outside the business rates system, for example businesses operating from shared spaces.

10.3.2 Whilst payments made to businesses from this discretionary fund can be any amount up to and including the grants within the national scheme, the Councils Discretionary scheme has been designed to follow the Government guidance in terms of targeting support for businesses operating within the area where a local restriction has been implemented.

10.3.3 Grants will be paid to businesses in shared business properties who have a minimum monthly fixed property cost of £200 and are required to close as a result of LCAL 3 national or local restrictions. Eligible businesses will receive a fixed rate of payment:

- businesses operating from a shared space in a recognised rated business premises with equivalent rent or property cost of £15,000 or less will receive a maximum grant of £667 per fourteen days qualifying restriction period
- businesses operating from a shared space in a recognised rated business premises with equivalent rent or property cost of above £15,000 and below £51,000 will receive a maximum grant of £1,000 per fourteen days qualifying restriction period.
- businesses operating from a shared space in a recognised rated business premises with equivalent rent or property cost of £51,000k or more will receive a maximum grant of £1,500 per fourteen days qualifying restriction period.

10.3.4 In addition, businesses involved in the supply chain to the hospitality, accommodation and leisure industry, that have been severely impacted by the restrictions will be eligible for support under the discretionary scheme. This includes businesses that are within the rating scheme and those who are in shared business properties and have a minimum monthly fixed property cost of £200.

10.3.5 The following are exclusions to LRSG (C) - Discretionary scheme:

- Businesses that can continue to trade because they do not depend on providing direct in-person services from premises and can operate their services effectively remotely (e.g. accountants, solicitors).

- Businesses in areas outside the scope of the localised restrictions, as defined by Government, are also excluded.
- Businesses that have chosen to close but have not been required to will not be eligible for this grant.
- Businesses which have already received grant payments that equal the maximum levels of State aid permitted under the de minimis and the Covid-19 Temporary State Aid Framework.
- Businesses that were in administration, are insolvent or where a striking-off notice has been made at the date of the local lockdown are not eligible for funding under this scheme.
- Businesses operating from a domestic premise other than registered B&Bs (excluding AirBnBs)

10.4 Local Restriction Support Grant (Open) Businesses occupying hereditaments appearing on local rating lists (Tier 2)

- 10.4.1 Businesses that are not legally closed, but which are severely impacted by the required restrictions on socialising as a result of regulations made under the Public Health (Control of Disease) Act 1984 will be eligible for this funding.
- 10.4.2 This could include non-essential personal services, for example, pubs, restaurants, cafes, bars, community centres, cinemas and other leisure businesses that have been impacted by reduced demand caused by LCAL 2 restrictions on socialising.
- 10.4.3 Businesses in a local restriction that is implemented for less than two weeks are not eligible for grant funding.
- 10.4.4 Grants are only available for business that have been severely impacted by LCAL 2 restrictions for any period since 1 August 2020. (LCAL 2 restrictions in Durham were in place from 18 September 2020 – 4 November 2020)
- 10.4.5 Eligible businesses will receive grants equivalent to 70% of the grants for which legally closed businesses with Tier 3 restrictions are eligible.
- 10.4.6 Businesses occupying hereditaments appearing on the local rating list with a rateable value of £15,000 or under on the date of the commencement of the lockdown will receive grants of £934 per 28 days qualifying restriction period
- 10.4.7 Businesses occupying hereditaments appearing on the local rating list with a rateable value of over £15,000 and less than £51,000 on the date

of the commencement of the lockdown will receive grants of £1,400 per 28 days qualifying restriction period

10.4.8 Businesses occupying hereditaments appearing on the local rating list with a rateable value of £51,000 or over on the date of the commencement of the lockdown will receive grants of £2,100 per 28 days qualifying restriction period

10.4.9 Any changes to the rating list (rateable value or to the hereditament) after the first full day of localised restrictions and business closures regulations came into force including changes which have been backdated to this date, should be ignored for the purposes of eligibility. Local Authorities are not required to adjust, pay or recover grants where the rating list is subsequently amended retrospectively to the local lockdown date.

10.4.10 The precise set of businesses eligible for the scheme may vary between each local lockdown area based on the localised restrictions that are established in recognition of the specific evidence and conditions for each area.

10.4.11 Subject to State aid limits, businesses will be entitled to receive a grant for each eligible hereditament within the lockdown zone. So, some businesses may receive more than one grant where they have more than one eligible hereditament.

10.4.12 The exclusions to Local Restrictions Support Grant (business rate payers) are listed below:

- Businesses that have not seen a reduction in a demand as a direct result of the legal requirements of the restrictions on socialising
- Businesses in areas outside the scope of the localised restrictions, as defined by Government, are also excluded.
- Businesses that have chosen to close but not been required to will not be eligible for this grant.
- Businesses which have already received grant payments that equal the maximum levels of State aid permitted under the de minimis and the Covid-19 Temporary State Aid Framework.
- Businesses that were in administration, are insolvent or where a striking-off notice has been made at the date of the local lockdown are not eligible for funding under this scheme.

10.5 Local Restriction Support Grant (Open) - Discretionary (Tier 2)

10.5.1 As part of the fixed grant allocation for the LRSG(O) scheme, local authorities will also receive an additional 5% top up amount to enable them to help hospitality, accommodation and leisure businesses affected by socialising restrictions which are not on the business rates list for the LCAL 2 restriction area. This will apply for each 28-day qualifying period and is linked to the value of payments made under the national scheme to businesses operating from a hereditament on the rating list the restriction area.

10.5.2 Payments made to businesses from this discretionary fund can be any amount up to and including the grants within the national LRSG(O) scheme.

10.5.3 In developing the Councils local scheme, the following key factors were considered:

- Funding is very limited, and the scheme needs to be affordable within the resources available
- The policy needs to be clear and robust with no room for ambiguity to ensure that businesses are treated equitably and fairly

10.5.4 The Councils scheme has been designed to follow the Government guidance in terms of targeting support for businesses within the Local Restriction Support Grant who have fixed business property costs (i.e. rent of mortgage)

- Grants are only available for business that have been severely impacted by LCAL 2 restrictions for any period since 1 August 2020 (LCAL 2 restrictions in Durham were in place from 18 September 2020 – 4 November 2020)
- Any local hospitality or leisure business operating from a shared space in a recognised rated business premises with equivalent rent or property cost of £15,000 or less will receive a maximum grant of £934 for each four week period of LCAL 2 restrictions.
- Any local hospitality or leisure business operating from a shared space in recognised rated business premises with equivalent rent or property cost of above £15,000 and below £51,000 will receive a maximum grant of £1,400 per four week period of LCAL 2 restrictions
- Any local hospitality or leisure business operating from a shared space in recognised rated business premises with equivalent rent or property cost of £51,000k or more will receive a maximum grant of £2,100 per four weeks of LCAL 2 restrictions.

10.5.5 In addition, businesses involved in the supply chain to the hospitality, accommodation and leisure industry, that have been severely impacted by the restrictions will be eligible for support under the discretionary scheme. This includes businesses that are within the rating scheme and those who are in shared business properties and have a minimum monthly fixed property cost of £200.

10.5.6 The exclusions to Local Restrictions Support Grant – Discretionary are listed below:

- Businesses that were established after the introduction of LCAL 2 restrictions will not be eligible.
- Businesses in sectors outside the scope of the localised restrictions, as defined by Government, are also excluded.
- Businesses which have already received grant payments that equal the maximum levels of State aid permitted under the de minimis and the Covid-19 Temporary State Aid Framework.
- Businesses that were in administration, are insolvent or where a striking-off notice has been made at the date LCAL 2 restrictions are not eligible for funding under this scheme.
- Businesses operating from a domestic premise other than registered B&Bs (excluding AirBnBs)

10.5.7 In adopting this policy the Council will reserve 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.

10.6 Local Restrictions Support Grant (Sector)

10.6.1 From 1 November 2020, businesses that have been required to close due to the national restrictions imposed on 23 March 2020 and which have not been able to re-open (or have diversified) as a result of the Public Health regulation will be entitled to LRS (S) payment. The eligible businesses falling under this scheme are:

- Nightclubs, dance halls and discotheques
- Sexual entertainment venues and hostess bars

10.6.2 Payments will be made for each 14-day period of closure from 1 November 2020 and will not be backdated

- 10.6.3 Businesses occupying hereditaments appearing on the local rating list with a rateable value of £15,000 or under on the date of the commencement of the lockdown will receive grants of £667 per fourteen days qualifying restriction period
- 10.6.4 Businesses occupying hereditaments appearing on the local rating list with a rateable value of over £15,000 and less than £51,000 on the date of the commencement of the lockdown will receive grants of £1,000 per fourteen days qualifying restriction period
- 10.6.5 Businesses occupying hereditaments appearing on the local rating list with a rateable value of £51,000 or over on the date of the commencement of the lockdown will receive grants of £1,500 per fourteen days qualifying restriction period
- 10.6.6 Any changes to the rating list (rateable value or to the hereditament) after the first full day of localised restrictions and business closures regulations came into force including changes which have been backdated to this date, should be ignored for the purposes of eligibility. Local Authorities are not required to adjust, pay or recover grants where the rating list is subsequently amended retrospectively to the local lockdown date.
- 10.6.7 Subject to State aid limits, businesses will be entitled to receive a grant for each eligible hereditament within the lockdown zone. So, some businesses may receive more than one grant where they have more than one eligible hereditament.
- 10.6.8 The exclusions to Local Restrictions Support Grant (business rate payers) are listed below:
- Businesses which have already received grant payments that equal the maximum levels of State aid permitted under the de minimis and the Covid-19 Temporary State Aid Framework.
 - Businesses that were in administration, are insolvent or where a striking-off notice has been made at the date of the local lockdown are not eligible for funding under this scheme.
 - Business in the category will not be eligible if they have re-purposed their business and as a result been able to open, for example changing their business from a nightclub to a bar

10.7 Local Restrictions Support Grant – (Closed) Addendum 5 November – 2 December 2020

- 10.7.1 On 31 October 2020, the Prime Minister announced national restrictions (a new national lockdown) would be imposed to manage

the spread of coronavirus. A significant number of businesses have therefore been mandated to close for the period 5 November to 2 December 2020. National guidance details which businesses must be closed during the national lockdown:

<https://www.gov.uk/government/publications/further-businesses-and-premises-to-close/closing-certain-businesses-and-venues-in-england> - this includes

- clothing stores and tailors
- homeware stores
- tobacco and vape shops
- electronic goods and mobile phone shops
- charity shops
- photography studios and antique stores
- markets (except livestock markets or stalls which fall under the list of essential businesses above, for example those selling food or hardware)
- car and other vehicle showrooms and other premises, including outdoor areas, used for the sale or hire of caravans, boats or any vehicle which can be propelled by mechanical means. However taxi or vehicle hire businesses can continue. For example a customer could order a rental vehicle online and collect it in person.
- car washes.
- auction houses (except for auctions of livestock or agricultural equipment).
- restaurants; pubs; bars, including those in hotels or members' clubs; social clubs
- cafes and canteens, excluding workplace canteens where there is no reasonable alternative
- hotels and other holiday accommodation

10.7.2 This scheme is targeted at those businesses occupying a rated business premises which have been forced to close as part of the national lockdown; or where the substantive nature of the business has changed – for example a restaurant has closed but is offering a takeaway service during this period. The payments differ according to the size of the rateable value of the premises occupied that has been closed.

10.7.3 For businesses within the rating system, a single grant, to cover the four week 'lockdown' from 5 November to 2 December 2020, will be paid to each eligible business. The grant amounts will be a fixed rate of payment for eligible businesses:

- Eligible businesses occupying a property with a rateable value of £15,000 or under will receive grants £1,334 per four weeks
- Eligible businesses occupying a property with a rateable value of over £15,000 and less than £51,000 will receive grants of £2,000 per four weeks
- Eligible businesses occupying a property with a rateable value of £51,000 or over will receive grants of £3,000 per four weeks.

10.7.4 In terms of the discretionary element of this scheme, in line with the previous lockdown and discretionary policy agreed in Durham, businesses that are required to close who are not in the rating list, but are in shared business properties and have a minimum monthly fixed property cost of £200 will be eligible for a single grant, to cover the four week 'lockdown' from 5 November to 2 December 2020. The grant amounts will be a fixed rate of payment for eligible businesses:

- 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 will receive grants £1,334 per four weeks
- Businesses operating from a shared space in a recognised rated business premises with equivalent rent or property cost of over £15,000 and less than £51,000 per annum will receive grants of £2,000 per four weeks
- Businesses operating from a shared space in a recognised rated business premises with equivalent rent or property cost of £51,000 or over will receive grants of £3,000 per four weeks.

10.7.5 In addition, businesses involved in the supply chain to the hospitality, accommodation and leisure industry, that have been severely impacted by the restrictions will be eligible for support under the discretionary scheme. This includes businesses that are within the rating scheme and those who are in shared business properties and have a minimum monthly fixed property cost of £200.

10.7.6 The exclusions to Local Restrictions Support Grant (business rate payers) are listed below:

- Businesses that can continue to trade because they do not depend on providing direct in-person services from premises and can

operate their services effectively remotely (e.g. accountants, solicitors).

- Businesses in areas outside the scope of the localised restrictions, as defined by Government, are also excluded.
- Businesses that have chosen to close but not been required to will not be eligible for this grant.
- Businesses which have already received grant payments that equal the maximum levels of State aid permitted under the de minimis and the Covid-19 Temporary State Aid Framework.
- Businesses that were in administration, are insolvent or where a striking-off notice has been made at the date of the local lockdown are not eligible for funding under this scheme.

10.8 Local Restrictions Support Grant – (Closed) Addendum T4 [19 December 2020]

10.8.1 Local Restrictions Support Grant – (Closed) Addendum T4 was published on 19 December 2020. Following local or national restrictions being imposed by Government at Tier 4, a significant number of businesses were mandated to close to manage the spread of coronavirus, Local Restrictions Support Grant (Closed) Addendum Tier 4 19 December 2020 guidance and payments will take effect. As County Durham moved into Tier 4 on 31 December 2020 funding will be provided to support businesses within the business rates system that are required to close under Local Covid Alert Level 'Very High' restrictions (LCAL 3). Local Restrictions Support Grant (Closed) Addendum Tier 4 19 December 2020 will be paid on a 14-day payment cycle. (using a grant under section 31 of the Local Government Act 2003)

10.8.2 With the announcement of the national lockdown with effect 5 January 2021, guidance is to be issued to local authorities advising that a six-week LSRG (C) payment is to be made to businesses within the local rating list that have been mandated to close. National guidance details which businesses must be closed during the national lockdown: <https://www.gov.uk/government/publications/further-businesses-and-premises-to-close/closing-certain-businesses-and-venues-in-england> - this includes

- clothing stores and tailors
- homeware stores
- tobacco and vape shops
- electronic goods and mobile phone shops
- charity shops

- photography studios and antique stores
- markets (except livestock markets or stalls which fall under the list of essential businesses above, for example those selling food or hardware)
- car and other vehicle showrooms and other premises, including outdoor areas, used for the sale or hire of caravans, boats or any vehicle which can be propelled by mechanical means. However taxi or vehicle hire businesses can continue. For example a customer could order a rental vehicle online and collect it in person.
- car washes.
- auction houses (except for auctions of livestock or agricultural equipment).
- restaurants; pubs; bars, including those in hotels or members' clubs; social clubs
- cafes and canteens, excluding workplace canteens where there is no reasonable alternative
- hotels and other holiday accommodation

10.8.3 This scheme is targeted at those businesses occupying a rated business premises which have been forced to close as part of the national lockdown; or where the substantive nature of the business has changed – for example a restaurant has closed but is offering a takeaway service during this period. The payments differ according to the size of the rateable value of the premises occupied that has been closed.

10.8.4 For businesses within the rating system, a single grant, to cover the six week 'lockdown' from 5 January to 15 February 2021 will be paid to each eligible business. The grant amounts will be a fixed rate of payment for eligible businesses:

- Eligible businesses occupying a property with a rateable value of £15,000 or under will receive grants £2,001 per six weeks
- Eligible businesses occupying a property with a rateable value of over £15,000 and less than £51,000 will receive grants of £3,000 per six weeks
- Eligible businesses occupying a property with a rateable value of £51,000 or over will receive grants of £4,500 per six weeks.

10.8.5 In terms of the discretionary element of this scheme, in line with the previous lockdown and discretionary policy agreed in Durham,

businesses that are required to close who are not in the rating list, but are in shared business properties and have a minimum monthly fixed property cost of £200 will be eligible for a single grant, to cover the six week 'lockdown' from 5 January to 15 February 2021. The grant amounts will be a fixed rate of payment for eligible businesses:

- 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 will receive grants £2,001 per six weeks
- Businesses operating from a shared space in a recognised rated business premises with equivalent rent or property cost of over £15,000 and less than £51,000 per annum will receive grants of £3,000 per six weeks
- Businesses operating from a shared space in a recognised rated business premises with equivalent rent or property cost of £51,000 or over will receive grants of £4,500 per six weeks.

10.8.6 In addition, businesses involved in the supply chain to the hospitality, accommodation and leisure industry, that have been severely impacted by the restrictions will be eligible for support under the discretionary scheme. This includes businesses that are within the rating scheme and those who are in shared business properties and have a minimum monthly fixed property cost of £200.

10.8.7 The exclusions to Local Restrictions Support Grant (business rate payers) are listed below:

- Businesses that can continue to trade because they do not depend on providing direct in-person services from premises and can operate their services effectively remotely (e.g. accountants, solicitors).
- Businesses in areas outside the scope of the localised restrictions, as defined by Government, are also excluded.
- Businesses that have chosen to close but not been required to will not be eligible for this grant.
- Businesses which have already received grant payments that equal the maximum levels of State aid permitted under the de minimis and the Covid-19 Temporary State Aid Framework.
- Businesses that were in administration, are insolvent or where a striking-off notice has been made at the date of the local lockdown are not eligible for funding under this scheme.

10.9 Christmas Support Payment wet-led pubs

10.9.1 On 2 December 2020, the Government announced the introduction of additional support over the festive period for wet-led pubs. Guidance was published 9 December.

10.9.2 Funding is to be made available to those authorities who are in Tier 2 or Tier 3 restrictions between 2 and 16 December 2020. The Council will receive a one-off payment amounting to £1,000 per wet-led pub in the county.

10.9.3 For the purpose of this grant, a wet-led pub is defined as a pub that derives less than 50% of its income from sales of food. The guidance also states a pub should exclude nightclubs, hotels, snack bars, guesthouses, sporting venues, music venues, theatres, cinemas and casinos. These exclusions are not exhaustive, and it is up to the Council to determine cases where eligibility is unclear.

10.9.4 As part of the application process, businesses have been required to self-certify that they meet all eligibility criteria and that they may be requested to provide evidence that they derive under 50% of their income from food sales. The accounts should be dated no later than 11 March 2020 (covering a period when trade was not affected by Covid-19). Businesses established after 11 March 2020 and before 1 December will still be eligible for this grant and need to supply accounting evidence that they derive under 50% of their income from food sales covering the period that they have been open.

10.9.5 In terms of the discretionary element of this scheme Durham County Council will also support the pubs, that are not eligible for the governments CSP grant, i.e. the pubs that derive over 50 % of their income from food sales. In addition, Durham County Council will also properties listed as clubs and premises. These grants will be funded from the ARG.

10.9.6 The Government guidance states that the scheme will close on 29 December 2020 and that final applications must be received by 31 January 2021, with eligible businesses receiving their £1,000 grants as soon as possible and no later than 28 February 2021.

10.10 Lockdown Grants

10.10.1 Following the Prime Ministers announcement on 4 January 2021, that the country is to go into a further national lockdown from 5 January 2021, the Chancellor has announced further support for businesses through to Spring. There are to be one-off top grants for retail, hospitality and leisure businesses. There are to be 3 bands of grant:

- £4,000 for businesses with a rateable value of £15,000 or under;
- £6,000 for businesses with a rateable value between £15,000 and £51,000; and
- £9,000 for businesses with a rateable value of over £51,000.

10.10.2 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:

- £4,000 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;
- £6,000 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
- £9,000 for businesses operating from a shared space in a recognised rated business premises with equivalent rent or property cost of over £51,000.

10.11 Taxis Drivers

10.11.1 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.

10.11.2 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.

10.11.3 The scheme will be open until 28 February 2020, with eligible Drivers targeted to go online and complete a simple form to capture the data required to enable payment of the grant

10.11 Business Recovery Grant

- 10.11.1 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.
- 10.11.2 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.
- 10.11.3 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.
- 10.11.4 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.
- 10.11.5 Businesses will need to submit a credible plan to adapt and recover, demonstrating they require additional financial support to be able to implement it.
- 10.11.6 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%.

10.12 Criteria Used in the Decision-Making Process

- 10.12.1 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
- 10.12.2 The payments made under Local Authority Discretionary Grant Fund are subject to de minimis State Aid rules, therefore any applicant or business to who the grant is paid will be required to confirm that the award of this relief does not contravene State Aid rules. SBGF can be provided under the existing De Minimis rules provided doing so does not exceed the current ceiling of 200,000 Euros that can be granted over a three-year rolling period. Payments made the RHLGF (or SBGF

where De Minimis threshold has been reached) are subject UK Covid-19 temporary framework for UK Authorities subject to 800,000-euro limit and confirming that they are not an undertaking in difficulty on 31 December 2019

10.12.3 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.

10.12.4 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.

10.12.5 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.

10.12.6 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
DH8 1FP

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