



Support for Covid Additional Relief Fund (CARF) 2022/23 Policy

1. Background

On 25 March 2021 the Government announced a new COVID-19 Additional Relief Fund (CARF) of £1.5 billion. The fund will be available to support those businesses affected by the pandemic but that are ineligible for existing support linked to business rates.

On 15 December 2021 the Rating (Coronavirus) and Directors Disqualification (Dissolved Companies) Bill 2021 attained Royal Assent.

This Bill allows Local Authorities to design a new COVID-19 Additional Relief Fund (CARF) Discretionary scheme to reduce Business Rate chargeable amounts in respect of 2021-22 subject to Government guidance provided.

Any award will be made under Section 47 Local Government Finance Act 1988 therefore billing authorities are required to adopt a local scheme and determine in each individual case whether, having regard to the guidance and their own local scheme, to grant relief under Section 47. The relief is available to reduce chargeable amounts in respect of 2021/22.

In relation to the Discretionary CARF Scheme, the Council will have regard to the guidance issued.

This policy sets out the eligibility criteria for the Covid Additional Relief Fund to support businesses who are in need but are not eligible for the Extended Retail Discount, the Nursery Discount or the Airport and Ground and Operations Support Scheme (AGOSS).

Relief is unavailable to a hereditament for the period when it is unoccupied (other than hereditaments which have become closed temporarily due to the government's advice on COVID-19, which should be treated as occupied for the purposes of this relief) and direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.

In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, billing authorities may not grant the discount to themselves, certain precepting authorities (e.g. a parish or county council) or a functional body, within the meaning of the Greater London Authority Act 1999.

The Council will determine the level of relief for individual hereditaments.

CARF should be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, excluding those where billing authorities have provided relief using their wider discretionary relief powers introduced by the Localism Act 2011 which are not funded by section 31 grants.

Former categories of discretionary relief prior to the Localism Act should be applied first in the sequence of discretionary reliefs and, therefore, before any relief provided under the COVID-19 Additional Relief Fund (CARF).

The Council can use its discretionary powers to offer further discounts outside of this scheme. However, where an authority applies a locally funded relief, this must be applied after CARF

2. Eligibility Criteria

Businesses with a maximum rateable value of £50,999

Liable for Business Rates for more than 60 days in any continuous period of liability.

3. Exclusions

Government guidance provides the following exclusions:

- Ratepayers who would have been eligible for the Extended Retail Discount scheme (i.e. retail, hospitality and leisure); Nursery Discount for 2021-22; or Airport and F Ground and Operations Support Scheme (AGOSS).
- Awards will only be in relation to occupied premises. No eligibility for businesses when the hereditament was unoccupied (other than closed temporarily due to government advice on COVID-19)
- Excludes all ATMs, Advertising boards, Energy Suppliers & Networking, Telecommunications mast, schools - independent and maintained, government and justice, betting and gambling, fire, police, solar panels, banks and liable during 2021/22 and must be occupying for more than 60 days.
Maximum Rateable Value = £50,999

4. How much funding will be available?

- Businesses who occupy a property with a rateable value of £50,999 will qualify for a 56% reduction on the rates payable on occupied rates during 2021/22 only.
- The ratepayer must have occupied the premises in 2021/22.
- Due to movement in rateable values and businesses receiving other reliefs delegated power to review the % of the award or maximum RV threshold is held by section 151 to ensure maximise spending the fund.
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5. How will the award be made? (see point 2 above)

- The Council will auto-award to businesses who meet the criteria with an option given to opt-out of receiving the relief.
- The award will be made by reducing the liability to pay Business Rates in 2021/22. If this action results in a credit, the credit can either be refunded or offset against other financial years.
- Financial modelling demonstrates that once eligible businesses have received their relief, there will be a residual balance of circa £35,000.
- The Council will award a fixed amount based on the rateable value shown on the rating list as at 1 June 2022. Any changes to the Rating List or the business' circumstances after this date will not affect the level of award.

6. Impact of the payment

Subsidy Allowance

The Government prescribe that the CARF scheme is subject to the subsidies chapter within the UK-EU Trade and Cooperation Agreement (TCA). However, for CARF there is an exemption for subsidies under the value of approximately £2,243,000 per economic actor (broadly speaking, for example, a holding company and its subsidiaries). This allowance comprises £325,000 special drawing rights (at current exchange rates about £343,000) for Small Amounts of Financial Assistance and a further £1,900,000 for Covid-19 related subsidy.

Therefore, to be awarded CARF you must not have claimed over the period 2019/20 to 2021/22 more than £2,243,000 from schemes which fell within the small amounts of financial assistance or Covid-19 related allowances. Covid-19 business grants you have received from local government should count towards this limit. **Further details of subsidy control can be found on GOV.UK.**

7. Application process

The Council will identify eligible businesses and auto award the relief to their business rates account.

Due to the relief falling under Section 47 of the Local Government Finance Act 1988 no award of this relief can be considered after 30 September 2022.

Due to the Council receiving a fixed amount of money, once the funding has been spent no further awards will be made.

8. Appeals

There is no statutory right of appeal against a decision other than by way of judicial review.