

Covid Additional Relief Scheme - CARF

Introduction

1. On 25 March the Government announced a new COVID-19 Additional Relief Fund (CARF) of £1.5 billion. The fund will be available to support those businesses adversely affected by the pandemic but that are ineligible for existing support linked to business rates.
2. The Government is not changing the legislation relating to the business rates reliefs available to properties. Instead, the Government will, in line with the eligibility criteria, reimburse local authorities where relief is granted using discretionary relief powers under section 47 of the Local Government Finance Act 1988. It will be for the council to adopt a local scheme and determine in each individual case whether, having regard to this 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.
3. The Council (billing authority) will be responsible for designing the discretionary relief schemes that is to operate in our area. However, in developing and implementing our scheme we must, if we are funding from the section 31 grant (Not our own budgets):
 - a. not award relief to ratepayers who for the same period of the relief either are or would have been eligible for the Extended Retail Discount (covering Retail, Hospitality and Leisure), the Nursery Discount or the Airport and Ground Operations Support Scheme (AGOSS),
 - b. not award relief to a hereditament for a 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
 - c. direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.
4. In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, the council may not grant the discount to itself, certain precepting authorities (e.g. a parish

council) or a functional body, within the meaning of the Greater London Authority Act 1999.

The Scheme

5. The council has taken a cut of the NNDR Base to identify those businesses that meet the criteria as set out at paragraph 3 and points a to c.
6. This cut has been further split into up to £51k RV and above £51k RV. The purpose of this is to identify the smaller local businesses which mainly fall into £51k and under.
7. The council's Economic Growth Team will check both lists and let NNDR Billing know if any business should be removed from the £51k and under cut or add any from the over £51k cut. This decision will be taken based on local knowledge and the criteria set out at paragraph 3.
8. The business must have a business rate account and have been trading on 31st December 2021.
9. The council's NNDR billing team will then award 90% of the S47 relief available to these businesses holding back 10% in contingency.
10. The awards will be made on net liability not RV as some of the under £51k businesses will be receiving other non-covid support such as Small Business Rate Relief (SBRR).
11. The NNDR Billing team will issue any refund after the relief has been applied if requested.
12. The full value of the relief does not need to be spent by 31st March 2022 but must be applied to the 2021/22 year. The last date of any possible award is 30th September 2022.

13. Only 90% of the initial funding will be awarded in the first tranche. The reason for this is that the Government funding is a finite amount and 10% will be held in contingency to deal with any unforeseen claims or appeals arising from deploying the scheme.
14. The scheme will ask the identified businesses to make a declaration of eligibility in that by accepting CARF they are confirming that they meet the 3 criteria below and that they have had the opportunity to confirm their ineligibility. All the identified qualifying businesses will be contacted by letter in the first instance. The letter will set out clearly the three opt out options:
 - The business does not qualify under the Subsidy Control Rules.
 - The business has not been adversely affected by Covid.
 - The business does not wish to receive the business rate relief.
15. The letter will provide an email address for the business to respond too in respect of the above criteria.
16. The business categories within the CARF scheme as set out by Central Government have all seen a reduction in their Gross Value Added (GVA). These businesses have all been adversely affected by covid and have received no Government support to date. Only the businesses in these categories are supported by the scheme.
17. Businesses must opt out of the scheme by 31st March 2022 and any business who believe they meet the qualifying criteria but have not been awarded a relief must make an application to the council by this date.

Roles and Responsibilities

18. The decision on the awards rests with the Economic Growth Team based on the information provided from the NNDR billing team. This includes any queries that arise for implementing the scheme.
19. The application of relief any refund and all returns rest with the NNDR Billing Team.