

## **Covid Additional Relief Fund (CARF)**

### **Government Guidance**

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

The Government is not changing the legislation relating to the business rates reliefs available to properties. Instead they will, in line with the eligibility criteria set out in the guidance, 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 individual billing authorities 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.

Billing authorities will be responsible for designing the discretionary relief schemes that are to operate in their areas. However, in developing and implementing their schemes local authorities must, if they are funding the relief from the section 31 grant:

- 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.

The relief should be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied.

### **Funding**

The Council will receive £4,066,022 in funding for this scheme. Awards are in the form of a reduction to business rates bills for 2021/22 only and no direct payments will be made to businesses

### **Approach**

The Council will invite any business that pays business rates and that has not received or been eligible to receive Extended Retail Discount (covering Retail, Hospitality and Leisure) or Nursery Discount to make an application if they meet the criteria.

There will be an application window from mid February, ending on 31 March 2022. At the end of the window the total rateable value of all the businesses that have applied will be totalled allowing a calculation to determine the level of relief and ensure the funding provided will be fully spent without causing an overspend

Businesses will have to detail and where appropriate evidence that they have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.

Evidence will be required to validate the claim. This information may include, bank details for the business, evidence of trading, evidence or declaration that the business has been adversely affected by the pandemic and have been unable to adapt.

Businesses will be required to confirm that they meet the criteria of the scheme, and that the amount of relief is not in excess of the Subsidy Control Arrangements.

There will be checks undertaken to validate the application and ahead of any relief being awarded.

### **Level of relief**

The level of relief cannot be determined until all applications have been reviewed and approved.

To determine the value of relief the following calculation will be made.

The rateable values (RV) of all successful applications will be totalled. The funding available will then be divided by the total of the RV to determine the percentage reduction based on the rateable value of each qualifying business. The % will be the same for all sizes of business premises.

The relief will be calculated after all other statutory reliefs have been applied and the relief will be capped where the business rates bill is reduced to zero. The award of relief will not generate a negative balance payable i.e. the award cannot be greater than the liability for the 21/22 financial year.

All reliefs will be allocated to the 2021/22 rates bill. If after the relief is awarded the balance for the year is in credit due to payments having been made, this credit will be carried forward to the 2022/23 bill and instalments recalculated.

Refunds will not be issued as a result of this process.

### **Additional Information**

If a business pays business rates on more than one Sutton property they can apply for all business premises

Businesses that do not pay business rates can not apply

### **Exclusions from the CARF scheme**

Businesses that are in administration, are insolvent, struck off or where a striking-off notice has been made at any time during the financial year 2021-2022 are not eligible for funding under this scheme.

Businesses that are publicly funded will be excluded.

Businesses that cannot detail and where appropriate evidence that they have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.

Business premises must have been on the rating list as at 15 December 2021.

Applications for periods of occupation/trading of less than six months during 2021/2022 will not be considered.

### **Decision making**

If the information requested is not provided, after working with the applicants, the application will be refused.

Decisions on applications and awards will be made by the Head of Revenues and Benefits

The Strategic Director - Resources will oversee the process.

The applicant will be notified of the decision by email and will receive a revised business rates bill if their application is successful.

The progress and results from the scheme will be reported to the Department for Business, Energy and Industrial Strategy and successful applicants may be published on our website.

### **Appeals**

Sutton is not required to provide a right of appeal against any decision as this is because grants awarded under the Covid Additional Relief Fund scheme are discretionary awards.

However, the Council will work with applicants to make sure they provide the necessary evidence to support a successful application.

The Council operates a complaints process for dissatisfied service.

[BEIS Guidance \(11 Jan 2022\)](#)

[Confirmation of Government funding £4,066,022](#)