

## **Policy: Discretionary Covid-19 Additional Relief Fund (CARF) Policy**

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## 1. Purpose

The document describes how Broxtowe Borough Council will process the discretionary Covid-19 Additional Relief Fund (CARF) to support businesses in the borough.

## 2. Scope

COVID-19 has presented a significant and unprecedented challenge for businesses. Since the start of the pandemic the Government's response to support businesses has been of a similarly unprecedented scale. 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. The £1.5 billion will be allocated to local authorities based upon the estimated rateable value in each local authority rating list which falls within the scope of the fund.

This policy and guidance sets out the scope of CARF and the criteria that Broxtowe Borough Council (BBC) will have regard to when determining awards from the fund. CARF will be paid to businesses as a relief against 2021/22 non-domestic rates liability, to reduce chargeable amounts payable, and in accordance with Government guidance. Central government will fully reimburse local authorities for discretionary relief awards that comply with the guidance up to the maximum level of the allocations.

This policy and guidance supports the COVID-19 Additional Relief Fund (CARF): Local Authority Guidance, issued by the Department for Levelling Up, Housing and Communities in December 2021. The Government guidance is available at [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1041468/CARF\\_LA\\_Guidance.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1041468/CARF_LA_Guidance.pdf)

## 3. Policy

### 3.1 Principles

BBC has received a funding allocation of £1,269,980 to support businesses in the borough through a discretionary scheme.

Businesses eligible to be considered for an award of CARF must:

- Be a ratepayer in occupation of the hereditament as at 31 March 2021 and continue to be in occupation throughout the 2021/22 financial year.
- Be able to demonstrate they have been adversely impacted by coronavirus restrictions at their premises either through social distancing, government recommendations to work from home, or reduced demand (where the business predominantly supplies other businesses who were unable to trade) and have been unable to adequately adapt to that impact.

## **Properties that will be excluded from awards of CARF**

Government guidance determines that certain properties are excluded from awards of CARF. Local authorities' must

- 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),
- 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
- 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.

In addition to the above Government restrictions, Broxtowe Borough Council has determined that CARF will not be paid to properties or ratepayers in the following conditions, based upon BBC or the Valuation Office data

- Properties where there is no Business Rates charge
- Organisations that are a precepting authorities or public funded bodies
- Properties that are part of the communications infrastructure
- Properties that are part of the energy production infrastructure
- Properties that are banks or building societies.
- Properties that are Royal Mail or logistics infrastructures
- Properties in the private healthcare (dentists, doctors, vets etc)
- Properties in water and waste management
- Properties that are for public administration
- Properties that are schools and public educational establishments
- Properties that are funeral directors and crematoria
- Properties where the Rateable Value is over £250k
- Properties where the Valuation Office Agencies SCAT code is not available to BBC.

## **CARF Award process**

Broxtowe Borough Council has been allocated £1,269,980 in CARF funding.

The Government has conducted an investigation as to how businesses have been affected by the pandemic, the results of which were included in the guidance issued for the scheme and are detailed below. It is proposed to allocate funding based on the individual property using the average gross value added (GVA) splits, multiplied by three, within the categories determined by the Valuation Office Agency.

<b>Definition</b>	<b>Average GVA Reduction (%)</b>	<b>GVA Multiplied by three (%)</b>
Mining and Quarrying	8	24
Manufacturing	9	27
Wholesale and Retail	8	24
Information and Communication	6	18
Financial Services	2	6
Professional Services	7	21
Education	20	60
Health	10	30
J-N: Information, Communication, Financial Intermediation, Real Estate and Business Services	6	18
Transport	32	96
Storage and Distribution	1	3

BBC will reduce the 2021/22 Business Rates charge by the relevant percentage highlighted in the table above in the GVA Multiplied by three column. E.G. A property categorised as being within the Information and Communication Sector, as determined by the Valuation Office Agency, will receive a reduction in charge of 18%.

BBC will action this as a direct award to the Business Rates Account and any credit created will either be refunded or transferred to the 2022/23 financial year and reduce the bill accordingly.

### **Subsidy Control**

In accordance with Government guidance, provision of CARF is likely to amount to a subsidy.

Any relief provided by Local Authorities under the CARF Scheme will need to comply with the UK's domestic and international subsidy control obligations. Further details of the UK's subsidy control are contained in the COVID-19 Additional Relief Fund (CARF): Local Authority Guidance, issued by the Department for Levelling Up, Housing and Communities in December 2021.

## **3.2 Risk**

As the scheme will be a direct award to businesses already liable to pay Business Rates, the risk level is low. However, BBC does recognise some risk still remains and will take the following action to mitigate the impact.

Risk	Mitigation
Valuation Office Agency coding incorrect	BBC has reviewed the accounts that it believes are relevant to receive the CARF support.
Refunding any credits to the incorrect Rate Payer	BBC currently has a procedure in place to ensure that any refund is monitored to minimise the risk of fraudulent applications. This process will be maintained in respect of CARF.

### 3.3 Assertions

The Discretionary CARF support will be applicable only to Business Rates accounts that were liable to make payments throughout the 2021/22 financial year.

BBC will award the relevant amounts on to the Business Rates account and where this provides a credit balance in 2021/22, the credit will be transferred to 2022/23, unless a request is made to refund the amount.

BBC reserves the right to alter the policy and amounts within it.

### 3.4 Responsibilities

The Revenues Team will be responsible for processing of the CARF.

## 4. Related Policies, Standards and Guidelines

- The government's guidance can be found by clicking [here](#)

## 5. Terms and Definitions

CARF - Covid-19 Additional Relief Fund  
GVA - Gross Added Value

## 6. Enforcement

Any **user** or **administrator** found deliberately contravening this policy **may** be subject to disciplinary action and, where appropriate, legal action.

## 7. Review

This document will be reviewed before 31 October 2022 to ensure appropriate spend against allocation.

## 8. Document Attributes

### Document Information

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Date	Name & Job Title of Approver(s)	Version
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Heads of Service

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### End of Document