



New Forest District Council

COVID-19 Additional Relief Fund
Scheme
(CARF Scheme)

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Definitions

The following definitions are used within this document:

'Effective date'; means 15 December 2021

'Hereditament(s); means the assessment defined within Section 64 of the Local Government Finance Act 1988;

'Local rating list'; means the list as defined by Section 41 of the Local Government Finance Act 1988 compiled and maintained by the Valuation Office Agency

'Rateable value' means the rateable value for the hereditament shown in the local rating list on the effective date

'Ratepayer'; means the person who according to the Council's records, was liable for occupied rates in respect of the hereditament on the effective date 1 and the person eligible to receive the relief

1. Purpose of the Scheme and background

- 1.1 The purpose of this document is to determine eligibility for a payment under the Council's COVID-19 Additional Relief Fund (CARF) scheme. This scheme is effective from 1 April 2021 to 31 March 2022 and is available to reduce chargeable amounts in respect of the 2021/22 financial year only.
- 1.2 The CARF scheme has been developed in response to an announcement made by the government to support businesses affected by the pandemic that are not eligible for existing support linked to business rates.
- 1.3 Whilst it is the responsibility for each local authority to adopt a CARF scheme, to receive Government funding, they must have regard to the guidance issued to Local Authorities [COVID-19 Additional Relief Fund \(CARF\): local authority guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/covid-19-additional-relief-fund-carf-local-authority-guidance)
- 1.4 The CARF scheme award will be a one-off payment to the business rate account. Total payments will not exceed the Government funding allocated to the Council.
- 1.5 The CARF scheme will be open for applications for 6 weeks from 1 March 2022 to 10 April 2022. Applications received after 10 April 2022 will not be accepted. Payments will be made by 31 May 2022.

2. Legislation and Funding

- 2.1 The Government is not changing the legislation. Instead, the Government will, in line with the eligibility criteria for the relief, reimburse billing authorities that use their discretionary relief powers under Section 47 of the Local Government Finance Act 1988, as amended, to grant the discount.
- 2.2 For eligible payments, central Government will fully reimburse local authorities for the local share of the discretionary relief Scheme (using a grant under section 31 of the Local Government Act 2003).
- 2.3 In view of the fact that such expenditure will be reimbursed, the Government expects billing authorities to fully utilise their CARF funding allocation.
- 2.4 The Council will be required to comply with regular reporting requirements to the Department for Levelling Up, Housing and Communities on distribution of the funds through the scheme.

3. Which properties will benefit from the relief?

- 3.1 Government has stated that billing authorities are responsible for designing discretionary relief schemes. However, if the local authority is funding the relief from section 31 grant, it must:
 - a) not award a relief to ratepayers who for the same period of the relief either are or would have been eligible for the Expanded Retail Discount (covering Retail, Hospitality and Leisure) or the Nursey Discount.
 - 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 advice, 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

3.2 **The Hereditament**

3.3 The following hereditaments will be ineligible for the purposes of this scheme-

- a) Hereditaments that were not in the local rating list on the effective date
- b) Hereditaments which were exempt from the rating list on the effective date
- c) Hereditaments that were unoccupied on the effective date
- d) Hereditaments which on the effective date had a rateable value in the local rating list of less than £1,000
- e) Hereditaments described in the Valuation List as Land Used for Storage and Premises
- f) Hereditaments wholly or main used for the following purpose-
 - Beach Huts
 - Advertising rights
 - Car park spaces
 - Communication masts
 - Grant Maintained Schools, Academy Schools, Further and Higher Education and other educational establishments
 - for storage of personal items

3.4 **The Rating List**

- Any changes made to the rating list after the effective date, including changes which have been backdated to this date, will be ignored for the purposes of eligibility
- The Council will not adjust the CARF award where the local rating list is subsequently amended retrospectively to the effective date
- In cases where it was factually clear to the Council that, at the effective date, the local rating list was inaccurate on that date, the Council may withhold the relief and/or award the relief based on their view who would have been entitled to the relief had the list been accurate. This is at the discretion of the council and is intended to prevent manifest errors.

3.5 The following businesses will be ineligible for the purposes of this scheme:

- Public bodies, including Government departments, the armed forces, fire, police and local Government including Town and Parish Council's, and County Council's
- NHS including NHS and Foundation Trusts
- Charities in receipt of 80% mandatory charitable rate relief
- Sports clubs registered as a community amateur sports club and in receipt of 80% mandatory rate relief
- A business in receipt of small business rate relief of more than 65% of their net chargeable amount for 2021/22

3.6 The Ratepayer

3.7 In **all** cases the following shall apply:

- The person who will receive the rate relief will be the person who, according to the Council's records, was the ratepayer in respect of the hereditament on 15 December 2021.
- Where the Council has reason to believe that the information it holds about the ratepayer on 15 December 2021 is inaccurate, the council has discretion to withhold or recover the grant and take reasonable steps to identify the correct ratepayer and award the grant based on our view of who would have been entitled to the grant had the list been accurate.
- Businesses that have a voluntary agreement but are not insolvent, in liquidation or in administration will be eligible if they are still trading and open
- Businesses must have been trading on 15 December 2021 and engaged in business activity to be eligible to receive funding under this scheme. The government have provided guidance on what is considered trading and factors include:
 - a. Carrying on a trade or professions
 - b. The business continues to trade online or offering click and collect services
 - c. The buying and selling of goods or services to generate a turnover
 - d. The business is engaged in activity, managing accounts, preparing, and planning for reopening, planning, and implementing COVID safe measures
- Where, it is subsequently determined that the records held are incorrect, the Council reserves the right to recover any relief incorrectly awarded; and
- Where any ratepayer misrepresents information or contrives to take advantage of the scheme, the Council will look to recover any relief awarded and take appropriate legal action. Likewise, if any ratepayer is found to have falsified records in order to obtain a relief.

4. Grant Awards

- 4.1 The amount of relief to be awarded will be determined once all applications, and any supporting information, has been received, with the Council utilising all of the available funding. This is to ensure that a fair approach to the allocation of funding is adhered to.
- 4.2 The final relief percentage (and so Business Rate credit) per business type will be determined by the Council and will have regard to the Governments' methodology for allocating the funding to Local Authorities. This includes data on the most affected business types (Appendix A) as well as the criteria in 3.1 to 3.7.
- 4.3 Businesses will be entitled to receive rate relief for each eligible hereditament based on the rateable value in the local rating list as at the effective date.
- 4.4 The relief available in respect of a single hereditament in the local rating list will be subject to a cap of £50,000.

- 4.5 The relief will be applied after mandatory and other discretionary reliefs have been applied. The maximum relief that will be awarded will not exceed the net chargeable amount for 2021/22.
- 4.6 The funding allocation methodology following the application window closure is delegated to the Service Manager, Revenue and Benefits. This is to ensure as timely decision as possible.
- 4.7 If awarding a CARF results in an overall credit for the 2021/22 financial year, the credit will automatically be applied to any outstanding bills starting with the current financial year. The Council will make a refund payment to the rate payer, if this is specifically requested, however this will be by exception.
- 4.8 Where a business operates more than one service from the property, the main service can be determined by assessing which category constitutes 50% or more of their overall business turnover. The main service principle will determine which threshold of funding a business receives. Businesses will need to declare which is their main service and we will use our judgement where appropriate.

5. How will rate relief be provided to Businesses?

- 5.1 The Council is fully aware of the importance of this scheme to assist businesses and support the local community and economy. The CARF award will be paid onto the ratepayer's business rate account in respect of the 2021/22 financial year.
- 5.2 In all cases businesses will be required to confirm that they are eligible to receive the relief and must complete an electronic application form on the Council's website.
- 5.3 The Council reserves the right to request any supplementary information from businesses, and they should look to provide this, where requested, as soon as possible.
- 5.4 An application for a CARF award is deemed to have been made when a duly completed application form is received via the Council's online procedure.

6 Subsidy control limits

- 6.1 Providing discretionary relief to ratepayers 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, (see [Guidance on the UK's international subsidy control commitments - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/guidance-on-the-uk-s-international-subsidy-control-commitments) which explains the subsidies chapter of the UK-EU Trade and Cooperation Agreement (TCA), World Trade Organisations rules on subsidies, and other international subsidy control commitments).
- 6.2 There are three subsidy allowances:

6.2.1 Small Amounts of Financial Assistance Allowance

This allowance is £343,000 over three-year period, consisting of the current financial year and the two previous financial years, as at 9 December 2021

6.2.2 The COVID-19 Additional Relief Fund Allowance

Where the Small Amounts of Financial Assistance Allowance has been reached, additional relief may be awarded in compliance with the principles set out in Article 366 of the Trade and Cooperation Agreement (TCA) and in compliance with Article 364.3 of the TCA. For the purpose of this scheme, the COVID-19 Additional Relief Fund Allowance, permits an economic actor to receive additional relief up to a further £1,900,000 for COVID-19 related losses. This may be combined with the Small Amounts of Financial Assistance Allowance to equal £2,243,000. It should be noted that Extended Retail Discount granted in either 2020/21 or 2021/22 does not count towards these allowances but business grants (throughout the 3 years) and any other subsidies claimed under the Small Amounts of Financial Assistances limit, or under the EU state aid de minimus limit, in the last three years, should be counted.

6.2.3 The COVID-19 Additional Relief Fund Further Allowance

Where an applicant has reached its limit of £2,243,000 under the Small Amounts of Financial Assistance Allowance and the COVID-19 Additional Relief Fund Allowance, it may be able to access a further allowance of funding under these scheme rules of up to £10,000,000 for business, provided the following conditions are met:

- The relief relates to uncovered fixed costs (i.e., costs not covered by profits or insurances etc.) during the period of COVID-19 , commencing 1 March 2020. An economic actor may benefit from relief up to 70% of the applicant's uncovered fixed costs (although this 70% limit does not apply to small businesses with fewer than 50 employees and less than £9m annual turnover where the limit is instead 90%), and
- Applicants can demonstrate a decline in turnover during the eligible period of at least 30% compared to the same period in 2019

7. Scheme of Delegation

- 7.1 The Council has implemented this scheme in line with Government requirements and guidance and has been approved by the Portfolio Holder for Finance, Investment and Corporate Services.
- 7.2 Officers of the Council will administer the scheme and the Service Manager – Revenue and Benefits reserves the right to make minor changes to this scheme as necessary in consultation with the Portfolio Holder for Finance, Investment and Corporate Service to ensure it meets the criteria set by the Council and, in line with updated Government guidance.

8. Notification of Decisions

- 8.1 Applications will be considered on behalf of the Council by the Revenues and Benefits Service.
- 8.2 All decisions made by the Council shall be notified to the applicant either in writing or by email and a revised business rate notice will be issued. A decision shall be made

as soon as practicable after the scheme closure date of 10 April 2022.

9. Reviews of Decisions

- 9.1 The Council will operate an internal review process and will accept an applicant's request for an appeal of its decision.
- 9.2 All such requests must be made in writing or by email to the Council within 14 days of the Council's decision and should state the reasons why the applicant is aggrieved with the decision of the Council. New information may be submitted at this stage to support the applicant's appeal.
- 9.3 The application will be reconsidered by Service Manager – Revenue and Benefits, as soon as practicable and the applicant informed in writing or by email of the decision. This decision is final.

10. Complaints

- 10.1 The Council's 'Complaints Procedure' (available on the Councils website) will be applied in the event of any complaint received about this scheme.

11. Managing the risk of fraud

- 11.1 Neither the Council, nor the Government will accept deliberate manipulation of the scheme or fraud. Any applicant caught falsifying information to gain CARF rate relief will face prosecution and any funding awarded will be recovered from them. The council will actively participate in any exercises to detect and prevent fraud and will report to and work with the National Investigation Service and the National Anti-Fraud Network.
- 11.2 Applicants should note that, where a relief is awarded by the Council, details of each individual relief may be passed to Government.

12. Recovery of amounts incorrectly paid

- 12.1 If it is established that **any** award has been made incorrectly due to error, misrepresentation or incorrect information provided to the Council by an applicant or their representative(s), the Council will look to recover the amount in full.

13. Data Protection and use of data

- 13.1 All information and data provided by applicants shall be dealt with in accordance with the Council's Data Protection policy and Privacy Notices which are available on the Council's website.

Appendix A

The allocation methodology uses the change in Gross Value Added (GVA) which reflects the economic impacts of COVID-19 on each business sector.

SIC Code	Sector	Average GVA Reduction
A	Agriculture, Forestry and Fishing	-13%
B	Mining and Quarrying	-8%
C	Manufacturing	-9%
F	Construction	-14%
G	Wholesale and Retail	-8%
I	Hospitality	-55%
M	Professional and Financial Services	-7%
N	Administrative Services	-21%
R	Arts, Entertainment and Recreation	-34%
S	Other services	-32%
Y	Transport	-32%