

Southwark Council

Non-domestic rates

COVID-19 Additional Relief Fund (CARF)

1. Introduction

- 1.1. This policy relates to the award of relief under the COVID-19 Additional Relief Fund (CARF) and is effective from the 1 April 2021 – 31 March 2022.
- 1.2. On 25 March 2021 the Government announced a new COVID-19 Additional Relief Fund (CARF) of £1.5 billion, although full guidance was not published until December 2021. The fund is available to support those businesses affected by the pandemic but that are ineligible for existing support linked to business rates.
- 1.3. The government is not changing the legislation relating to the business rates reliefs available to properties. Instead, the government will reimburse local authorities where relief is granted using discretionary relief powers under section 47 of the Local Government Finance Act 1988.
- 1.4. There is no centrally prescribed scheme but the government has provided eligibility guidance. The support will be provided as a one-off relief to business rates accounts for the financial year 2021/22 and billing authorities must:
 - 1.4.1. Not award relief to businesses 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);
 - 1.4.2. 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);
 - 1.4.3. Direct their support towards businesses who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact; and
 - 1.4.4. Not grant relief to themselves, or a functional body, within the meaning of the Greater London Authority Act 1999 (such as Transport for London, Metropolitan Police, London Fire and Emergency Planning Authority etc)
- 1.5. It is therefore 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.
- 1.6. The council's local CARF scheme is designed to target relief at small businesses that were affected by the COVID-19 pandemic but were ineligible for existing COVID-19 business support schemes. Small businesses are defined as those occupying a property with a rateable value of less than £51,000.
- 1.7. Small businesses are both the foundation and the motor of Southwark's local economy. They are the largest number of businesses and the fastest growing. Small business growth, especially in the business-to-business sector, had

been fastest in the north of the borough which forms part of the London CAZ (Central Activities Zone) before the pandemic. That sector has the greatest growth potential and contains the greatest promise to create the good jobs that the borough will need in the future.

1.8. These businesses were not required to but many changed the way they operated and were affected by the wider social and economic impacts of the pandemic. Unlike businesses in the hospitality, retail, and leisure sectors, they were not eligible for financial support through COVID-19 business grants or existing business rates reliefs.

2. Qualifying criteria

2.1. In order to be eligible for CARF relief, businesses must meet the following conditions:

- 2.1.1. Occupy a property with a rateable value less than £51,000;
- 2.1.2. Were in occupation from the 1 April 2021 – 31 March 2022;
- 2.1.3. Had a business rates charge; and
- 2.1.4. Have not received relief in 2021 through Extended Retail Discount and the Nursery Discount.

2.2. Businesses will not qualify if:

- 2.2.1. They occupy premises with a rateable value of £51,000 or above;
- 2.2.2. They were not in continuous occupation (other than closed temporarily due to government advice on COVID-19);
- 2.2.3. They are a betting shop or financial service (e.g. banks, cash points, payday lenders);
- 2.2.4. They are a car park, parking or advertising space;
- 2.2.5. There is a zero balance after the application of any discount/ relief;
- 2.2.6. They are not within the rating system;
- 2.2.7. They are in administration, insolvent or where a striking-off notice has been made; or
- 2.2.8. They have already received grant payments that equal the maximum permitted subsidy allowances.

2.3. In some circumstance it may not be materially clear whether a business falls into eligibility, so decisions on awarding relief to these businesses will be at the council's discretion.

2.4. Subject to grant subsidy allowance limits, businesses will be entitled to receive relief for each eligible hereditament, so some businesses may receive more than one relief if they occupied more than one eligible premises.

3. Calculation of award

3.1. The amount of relief awarded will be calculated against the net liability after all other reliefs/ discounts have been applied. The amount of relief will be equal to the remaining net liability.

3.2. Future rateable value changes, mergers or splits will only qualify for retrospective relief if confirmation of the change is received before 30 September 2022. After 1 October 2022 no CARF relief can be claimed for the 2021/22 year.

3.3. If the property rateable value changes, and is backdated to 1 April 2021, we will recalculate the amount of relief based on the new rateable value start date.

4. Notification of relief

4.1. CARF relief will be awarded to qualifying businesses without the need to apply.

4.2. The council will issue a notification of relief award. The notification will state that by accepting relief the business confirms they are eligible and does it had not exceeded grant subsidy allowance limits.

4.3. Should a business believe they are not eligible or there is a change in circumstances that may affect entitlement to relief they must notify the council.

5. Additional discretionary support

5.1. Additional discretionary support will be made available for businesses that do not automatically qualify for CARF awards if there is remaining funding available after all CARF relief awards are applied to qualifying business under paragraph 2.

5.2. Businesses that may receive support are those businesses with a rateable of £51,000 and over but would otherwise meet the qualifying criteria for an automatic award, or businesses that did occupy a premises for the full financial year. However, this list is not exhaustive and cases will be assessed on their individual merits with consideration for any remaining budget, the level of impact COVID-19 had on the business and whether they are smaller local businesses providing economic stimulus to the borough.

5.3. If there is funding available businesses will be invited to apply online to be considered for a discretionary award. Applications will be accepted for a set period and final decisions made after all applications received. The application form will ask businesses to evidence that they have been adversely affected by the COVID-19 pandemic and confirmation that the business has not exceeded grant subsidy levels.

6. Grant subsidy allowance

6.1. Providing CARF relief is likely to amount to a subsidy. Any relief provided under CARF will need to comply with the UK's domestic and international subsidy obligations.

6.2. On 4 March 2021 new subsidy allowances were established for COVID-19 business support schemes.

6.3. Grants under these 3 allowances can be combined for a potential total allowance of up to £10,935,000 (subject to exchange rates).

6.4. This scheme is covered by 3 subsidy allowances:

6.4.1. Small Amounts of Financial Assistance Allowance – businesses allowed up to £335,000 (subject to exchange rates) over any period of 3 years;

6.4.2. COVID-19 Business Grant Allowance – businesses allowed up to £1,600,000; and

6.4.3. COVID-19 Business Grant Special Allowance - if the business has reached its limits under the Small Amounts of Financial Assistance Allowance and COVID-19 Business Grant Allowance, it may be able to access a further allowance of funding under these scheme rules of up to £9,000,000, provided certain conditions are met.

6.5. Grants under these 3 allowances can be combined for a potential total allowance of up to £10,935,000.

7. Appeals process

7.1. Where an application for CARF relief is refused, any appeal against this decision must be via the online appeal form within 5 working days of the refusal letter being sent, together with evidence to support the reasons for the appeal.

7.2. The appeal will be considered by an officer who has not previously considered the application. The decision reached will be notified in writing within 10 working days.