



Business Rates COVID-19 Additional Relief Fund (CARF) 2021-22 revised 29 July 2022

Guildford Borough Council is granting a COVID-19 Additional Relief Fund reduction to eligible business rate payers in the form of discretionary rate relief under S47 of the Local Government Finance Act 1988,

1. Introduction

- 1.1 On 25 March 2021 the Government announced a new COVID-19 Additional Relief Fund 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.
- 1.2 The legislation required for this relief forms part of The Rating (coronavirus) and Directors Disqualification (Dissolved Companies) Act 2021, which was given royal assent on the 15 December 2021.
- 1.3 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. Guildford Borough Council has been allocated £5,597,386.
- 1.4 Government will, in line with the eligibility criteria set out their guidance, reimburse, by way of a Section 31 grant, local authorities where relief is granted using discretionary relief powers under section 47 of the Local Government Finance Act 1988.
- 1.5 The guidance requires for individual billing authorities to adopt a local scheme and determine in each individual case whether, having regard to the government 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.
- 1.6 This document provides a scheme of how it will be administered locally.

2. National Rules

- 2.1. The government has excluded the following properties and ratepayers from reductions:
 - 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), the Nursery Discount or the Airport and Ground Operations Support Scheme (AGOSS),
 - properties for any period that they are unoccupied (other than premises 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

- 2.2. Additionally, 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.
- 2.3. The government has stated that the relief should be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, excluding those where billing authorities have provided relief using their wider discretionary relief powers introduced by the Localism Act 2011 which are not funded by Section 31 grants.
- 2.4. Local Councils have been requested to direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.

3. Local Scheme Criteria

- 3.1 Guildford Borough Council's share of the overall fund has been calculated with reference to the Special Category Codes (SCat) allocated to each property by the Valuation Office Agency of HRMC. These in turn have been mapped to the Standard Industrial Classification (SIC) codes which the government has used to monitor the economic impact of COVID-19 on different sectors. We have taken account of this mapping when determining which properties should qualify for additional support.

It should be noted that the previous Expanded Retail Leisure and Hospitality Discount was based on use and not property description. Recipients of the discount are not eligible for CARF as well.

- 3.2 The funds are limited and will be distributed as follows:
 - 3.2.1 To recipients of the Discretionary ARG grant for Lockdown 2 (starting 5 November 2020), where they are ratepayers and meet the general CARF criteria set out in 3.3. We know that these businesses have been amongst the hardest hit by the pandemic, and already reflected this in our Discretionary ARG scheme for 2020. The CARF reduction will provide additional support with the 2021-22 rates. Evidence of the effect of COVID will not be required from these applicants as they have already provided it as part of the grant application processes.
 - 3.2.2 To applicants meeting all the government and locally set criteria set out in 3.3 and 3.4.
 - 3.2.3 As funds remain after applicants for 3.2.1 and 3.2.2 have been determined, a further scheme is being run for applicants meeting all the government and locally set criteria set out in 3.3 and 3.4.2. Additionally:
 - The property must have a rateable value more than £100,000 and less than or equal to £200,000 or the period of the award. If the rateable value varies during 2021-22 the property will be eligible for any period when this criterion is met.
- 3.3 All applicants must meet the following General Criteria.
 - 3.3.1 The property must:
 - have been in the rating list on the 15 December 2021
 - be occupied for the period of the relief
 - have a net liability following the application of all other reliefs and discounts
 - not qualify for the Expanded Retail or Nursery Discounts
 - not be occupied by a public body or precepting authority ie NHS, Post Office, government department or agency, parish council, district council, unitary council
 - 3.3.2 The ratepayer must:

- Not be in administration, insolvent or with a striking off notice issued against it
- Be eligible under the subsidy control rules (see Appendix 1)
- Have been trading prior to the pandemic
- Have been affected by COVID-19 and unable to adapt. They should provide a statement of how their income has been affected by the pandemic supported by evidence from their management accounts or bank statements to show that their income is significantly less. We anticipate that the comparisons will be between pre pandemic August 2019 to January 2020 and the same period in 2021-22 ie August 2021 to January 2022.
- Not have advised us that they were liable for the property after 1 April 2022 (except for changes relating to March 2022)
- Provide a completed application form.

3.4 Applicants for a reduction under 3.2.2 must meet all additional criteria.

3.4.1 The property must have a rateable value less than or equal to £100,000 ¹for the period of the award. If the rateable value varies during 2021-22 the property will be eligible for any period when this criterion is met.

3.4.2 The property description on the Valuation Office Agency rating list (and displayed on the rate demand) must either:

- Begin with:
 - Office(s)
 - Workshop
 - Warehouse (unless the complete description indicates another use)
 - Store(s) (unless used for Retail purposes)
 - Factory
 - Bank or Shop and is used for financial services (SCat Code 21²)
 - Kennel(s), Cattery(ies), Animal, Dog, Vet or Veterinary
 - Bus Station or Garage
 or
- Contain
 - Brewery, Bakery or Winery (unless used for Retail purposes)
 - Vehicle Repair or Tyre
 or
- Be on the following list:
 - Abattoir and slaughter house
 - Business unit and premises
 - Concrete batching plant and premises
 - Educational centre and premises (not owned by a local authority)
 - Gas field and premises
 - Leachate treatment plant and premises
 - Meeting room and premises
 - Narrowboat basin and premises
 - Performance venue & premises
 - Portacabin and premises
 - Radio station and premises
 - Recording studio and premises
 - Recording studios

¹ We have insufficient funds to help everyone. A rateable value cap of £100,000 is consistent with the value used by the government to determine large properties for transitional purposes.

² We will check the SCAT code against the VOA records. If ratepayers want to check for themselves they can look up their own rating assessment at <https://www.gov.uk/find-business-rates>

- Secondary aggregate processing plant and premises
- Site offices and premises

4. Amount of Reduction

- 4.1 For businesses qualifying under 3.2.1 75% for eligible properties. This matches the Expanded Retail Scheme for the year.
- 4.2 For businesses qualifying under 3.2.2 we aim to award a 30% reduction for eligible properties, however if funds permit once all the applications have been received this may be increased. It will not exceed 75%.
- 4.3 For businesses qualifying under 3.2.3 we aim to award a 30% reduction for eligible properties, however if funds permit once all the applications have been received this may be increased. It will not exceed 75%.

5. Period and Calculation of Relief

- 5.1 All relief will be awarded from the 01 April 2021 to the 31 March 2022.
- 5.2 If the business has not been liable for this whole period, their award will be apportioned to reflect the Business Rates Liability.
- 5.3 Awards will also be apportioned to reflect any period when the property is unoccupied.
- 5.4 CARF will be calculated after all other rate reductions
- 5.5 CARF will be recalculated if there is a retrospective change eg a change in the rateable value or any other of the eligibility criteria.

6. How to apply

- 6.1 All ratepayers wanting to apply for relief must complete an online application. There is no other way that an application can be made.
- 6.2 The application form will be available at the [Guildford Borough Council website](#).
- 6.3 We will try to identify potential recipients and write to them to advise them of the scheme. We will also promote the scheme through our social media.
- 6.4 All applications for the scheme detailed in 3.2.2 must be made by 17:00 on Friday 27 May 2022. Successful applicants will be issued with revised 2021-22 rate demands once all applications have been assessed. Incomplete³ or late applications will be turned down.
- 6.5 All applications for the scheme detailed in 3.2.3 must be made by 17:00 on Friday 26 August 2022. Successful applicants will be issued with revised 2021-22 rate demands once all applications have been assessed. Incomplete⁴ or late applications will be turned down.

7. Notification of decision

- 7.1 Successful applicants will be issued with an updated rate demand showing the award has been applied to their Business Rates account. Applicants must continue to pay the instalments detailed on their 2022-23 rate demand to prevent recovery action being taken for the 2022-23 charge.

³ Due to the limited funds we will calculate the percentage reduction based on applications received. To avoid further delay for the majority, we will turn down incomplete applications.

- 7.2 Unsuccessful applicants will be notified in writing. This will generally be by email to the applicant.

8. Appeals

- 8.1 No formal appeal rights exist. However, the Council recognises that applicants should be entitled to have a discretionary decision reviewed if dissatisfied with the outcome.
- 8.2 Only the applicant may request a review against the decision not to award relief.
- 8.3 Requests to have a decision reviewed must be made within three weeks of the notification of decision, or before 15 September 2022 – whichever is the sooner.
- 8.4 Any requests for a review of a decision must be in writing via email to RPayergrants@guildford.gov.uk specifying reasons why a decision should be amended and supported by relevant new or additional evidence.
- 8.5 Reviews will be deemed complete, and the original decision upheld, if further evidence requested from the applicant has not been received within the timescale specified in the request.
- 8.6 Requested reviews against decisions, will be considered by Revenues & Benefits Lead Specialist or the S151 Officer.
- 8.6 Where the appeal is unsuccessful the applicant will be notified in writing.

9. Cancellation, Repayment and Data Sharing

- 9.1 Guildford Borough Council and the Government will not accept deliberate manipulation and fraud. Any applicant falsifying their records to gain Business Rates Relief or found to be awarded the relief incorrectly will be subject to clawback. A ratepayer who falsely applies for any relief, provides false information or makes false representation in order to gain relief may be guilty of fraud under the Fraud Act 2006.
- 9.2 Post payment assurance checks may be undertaken.
- 9.3 In making an application, applicants understand that their details may be shared with central government departments for monitoring, statistics and evaluation purposes. This is in addition to Guildford Borough Council's privacy statement found on your rate demand or at <https://www.guildford.gov.uk/privacy>

Appendix 1 Subsidy Control

Trade and Co-operation Agreement

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 the BEIS guidance for public authorities which explains the subsidies chapter of the UK-EU Trade and Cooperation Agreement (TCA), World Trade Organisation rules on subsidies, and other international subsidy control commitments).

Small Amounts of Financial Assistance Allowance

2. To the extent that a Local Authority is seeking to provide relief that falls within the Small Amounts of Financial Assistance Allowance, Article 364 of the TCA allows an economic actor (e.g. a holding company and its subsidiaries) to receive up to 325,000 Special Drawing Rights (£343,000 as at 9 December 2021) in a three-year period (consisting of the current financial year and the two previous financial years). To administer a subsidy under the Small Amounts of Financial Assistance Allowance it is necessary for the Local Authority to establish that the award of subsidy will not result in the economic actor having received more than £343,000 of subsidy under the Small Amounts of Financial Assistance Allowance.

The COVID-19 Additional Relief Fund Allowance

3. 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 TCA and in compliance with Article 364.3 of the TCA. For the purposes of this scheme, the COVID-19 Additional Relief Fund Allowance, permits an economic actor to receive additional relief of up to a further £1,900,000 for COVID-19 related losses.
4. This may be combined with the Small Amounts of Financial Assistance Allowance to permit an economic actor to receive up to £2,243,000 from the CARF Scheme (or less if they have already used some of their Small Amounts of Financial Assistance limit or claimed other COVID-19 related subsidies). It should be noted that Expanded Retail Discount granted in either 2020/21 or 2021/22 does not count towards these allowances, but BEIS business grants (throughout the 3 years) and any other subsidies claimed under the Small Amounts of Financial Assistance limit (such as the Retail Relief in 2019/20), or under the EU State aid de minimis limit, in the last three years, should be counted.

COVID-19 Additional Relief Fund Further Allowance

5. If an economic actor has reached the £2,243,000 limit set out above, then it may still be able to receive up to a further £10 million as a COVID-19 Additional Relief Fund Further Allowance under the CARF Scheme, if it satisfies the following conditions:

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