

Appendix A

COVID19 ADDITIONAL RELIEF FUND (CARF relief) GUIDELINES

Introduction

1. This guidance is intended for businesses liable for business rates in 2021/22 applying to any of the Local Authorities listed in (3) below for the additional rate relief which is funded by the COVID19 Additional Relief Fund (CARF). This fund was announced by the government on the 15th December 2021. Only businesses occupied and liable for business rates on 1st April 2021, are eligible to apply for the relief and any relief application **must** be received by the Local Authority by the **30th September 2022**. Late applications cannot be accepted, and the closing date may be much earlier if oversubscribed.
2. Local Authorities have access to relatively limited funds from the government for this relief, which has replaced the right to appeal to the Valuation Office Agency on Material Change of Circumstances grounds due to COVID. It is expected that most relief allocations to successful applicants will be limited to a certain percentage which means that businesses who do qualify will still have some business rates to pay. The application process is likely to be oversubscribed, with many more relief applications compared to funds available.
3. The Local authorities utilising these guidelines are:
 - City of Lincoln Council – Funding £2,711,060
 - North Kesteven District Council – Funding £1,719,343
 - West Lindsey District Council – Funding £1,408,044
 - South Kesteven District Council – Funding £2,699,652
4. This guidance sets out the criteria under which businesses will qualify to make an application to the COVID19 Additional Relief Fund (CARF), and the evidence required to support an application, and is aligned with the government guidance issued on 15th December 2021

<https://www.gov.uk/government/publications/covid-19-additional-relief-fund-carf-local-authority-guidance>

5. The Government wants Local Authorities to exercise their local knowledge and discretion and recognise that economic need will vary across the country, so the Government are setting some national criteria for the relief but allowing Local Authorities to determine which relief application cases to support within the stated criteria.

6. The Government suggests that Local Authorities may wish to consider collaborating as they design their relief schemes to ensure there is consistency where they are working across a functional economic area. The Local Authorities listed above have collaborated on these guidelines, although it is up to each individual Local Authority which amounts of relief are given and who they award relief to.

Which types of business should the COVID19 Additional Relief Fund prioritise?

7. The government guidance issued on 15th December 2021 gives the above Councils discretion over the COVID Additional Relief Fund, and their decisions on the awarding of relief as part of the Fund will be final.

Scope and Eligibility

8. Local 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:
 - a. must not award relief to ratepayers who for the same period of the relief (period from the 1st April 2021 to the 31st March 2022, or any part of this period) 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. must not award relief to a hereditament for a period when it is unoccupied (other than hereditaments which have become unoccupied temporarily due to the government's advice on COVID-19), and
 - c. should direct their support towards ratepayers who have been adversely affected by the pandemic (in a way that prevents success or development; harmfully or unfavourably) and have been unable to adequately adapt to that impact.
9. 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, to a precepting authority, or to a functional body within the meaning of the Greater London Authority Act 1999.
10. The following properties are unlikely to meet the eligibility criteria for this relief under either the Government Guidance or the Local Scheme
 - a. **Private Car Park Spaces** (apart from Airport Parking)
 - b. **Networks supplying utilities and associated properties**, including electricity, gas, telecommunications, water, renewable energy, fossil fuel, nuclear power, independent network operator etc

- c. **Properties used for public administration** - including Armed Forces, Local Authority (County Council, District Council, Parish Council and Town Council), Government Departments, Legislative bodies, Fire, Police, Prison County Courts, Magistrates Courts, NHS and foundation Trusts, Lifeboat Stations
 - d. **Advertising rights**
 - e. **Banks, Financial institutions, including ATM machines**
 - f. **Educational establishments** such as schools, University, Colleges
11. To be eligible for relief you must be a ratepayer liable and occupying the property for business rates during the financial year 2021/22 (for a period of a day or more). The following ratepayers are unlikely to be eligible for this relief:
- a. Ratepayers in administration, liquidation or subject to a strike off notice on Companies House
 - b. Ratepayers who have entered into a CVA or an IVA during the period 2021/22
 - c. Ratepayers who are unable to evidence that they have been significantly impacted by the coronavirus
 - d. Ratepayers occupying properties for storage purposes only for short periods of less than 12 weeks.
12. It is the intention of our scheme that this supports local businesses who are trading and who intend to continue to trade and do business in the local area after COVID19.
13. If there is no business rates liability in 2021-22, you will not be eligible for this relief.
14. If other business rates relief (other than transitional relief, mandatory relief, or small business rates relief where the rateable value is over £12,000) has already been granted to the business during the relief period, the business will not be eligible for this relief.
15. Please note, the individual Local Authorities listed above may apply additional mechanisms to determine local need within their own Local Authority and all applications will be considered on their own merits.

Evidence Required for Discretionary Grant Fund application

16. To expedite the application of the CARF relief, we will be asking ratepayers to complete an application form and declare their losses in turnover and to complete a statement that the ratepayer/business will not exceed the subsidy control limits. Ratepayers are encouraged to provide certification from their accountant or their legal representative to confirm these statements in support of their application form.

Post Payment Audit

17. For audit purposes, the Local Authority will select a proportion of ratepayers who have made applications for the CARF funding. These ratepayers will be contacted and asked to provide evidence to the Local Authority in support of their application form, which must be provided within 28 days of the request. Any ratepayer who is selected for audit, will be required to provide:
- Evidence to demonstrate a loss in income of at least 30%, due to the Covid-19 crisis during the financial year 2021/22, compared to the same period in 2019/20. This will be in the form of accounts or bank statements/management accounts for previous years and management accounts / bank statements for the period 1st April 2021 to 31st March 2022.
 - Confirmation that the business has not received any relief or discount under the relief schemes mentioned above in
 - Confirmation of Subsidy Allowance compliance including the cumulative total of the grants and subsidy that you have received. Falsifying your records or providing false evidence to gain this discount will be considered to be fraud.
 - Evidence of trading - this will include but not limited to, invoices, orders, salary payments, bank statements etc.
 - If business accounts are not available for any of the periods required, please provide consecutive bank statements and other documents such as invoices. The Local Authority may come back to you for additional information.

If a ratepayer does not provide sufficient evidence to support their claim, the rate relief will be removed, and the decision of the Local Authority is final.

Subsidy Allowance

18. There is a requirement for all grants made under this Discretionary Grants fund to be subsidy allowance compliant. Please see further government guidance in sections 25 – 29 via the link below.

<https://www.gov.uk/government/publications/covid-19-additional-relief-fund-carf-local-authority-guidance>

How relief will be provided

19. The Local Authority will be responsible for evaluating COVID19 Additional Relief Fund (CARF) applications, selecting the successful business applicants and then administering and delivering relief to those successful applicants.
20. The Local Authority will endeavour, to make awards as quickly as possible to support successful business applicants, who are struggling financially. Any ratepayer requested to provide evidence in support of their application is

encouraged to do so as quickly as possible, and no later than 14 days to ensure that the CARF relief is not removed from their account.

How much funding will be provided to successful businesses

21. The Local Authority has access to limited funds from the government for this scheme and it is expected therefore that most relief awards will be in the range 10-30%, and this may be capped in order to maximise the number of ratepayers that the local authority helps. This will be subject to change if the scheme is under or oversubscribed. If the scheme is under subscribed, additional payments may be made to ensure that all monies are spent. Please note that the percentage reduction only applies for the days that the property is occupied for business purposes.
22. The reduction in net profit/reduction in bank balance losses will be based for the year 2021/22 compared to the equivalent period in 2019/20.
23. If business accounts are not available for any of the periods required, please provide consecutive bank statements and other documents such as invoices. The Local Authority may come back to you for additional information.
24. Local Authorities have discretion to make relief awards of any amount. It will be for Local Authorities to adapt this approach to local circumstances, such as providing support for businesses that are crucial for their local economies.
25. The level of funding for these discretionary reliefs will be decided by the individual Local Authority within the above guidelines.
26. Your Covid Additional Relief will be calculated against the liability for periods of occupation for trading purposes during the financial year 2021/22 based on the information provided by 31st March 2022. Any increase in liability for 2021/22 after this date will be ignored for the purposes of the relief but where a ratepayer has a reduction in liability, the Covid Additional Relief must be reduced proportionally.

The Application Process

27. All Local Authorities listed in paragraph three will manage their own application process. For more details, please consult the web site of the relevant local authority.
28. The applicants will need to state when applying that by accepting the relief payment, the business confirms that they are eligible for the relief scheme, including that any relief accepted will be fully in compliance with Subsidy Allowance requirements.
29. The individual Local Authority reserves the right to cancel any award of this relief fund if subsequent information comes to light.

The Application Process - deadlines

30. There will be a closing date of midnight on 31st March 2022 across the above Local Authorities for businesses to apply for this additional relief funding.
31. If further funding is provided by the Government or funding is unspent there will be further application rounds.
32. We are expecting this round of relief funding to be oversubscribed so it is important all businesses applying give as much information as possible and ensure they meet the criteria. Where possible, businesses should provide all their information at the same time to ensure that the application is not rejected or delayed.
33. As a condition of relief being awarded, we will expect the business applying to sign a declaration stating that they are not committing any fraud and that they are fully complying with any subsidy allowance limits, as well as giving the Local Authority permission to share data to check such compliance and that these guidelines are complied with.
34. As well as meeting the criteria it is the intention for the discretionary relief to support local businesses whose intention it is to continue to trade and do business in the local area after COVID19.

Award of Relief

35. All awards of this relief will be by a credit against the business rates bill.
36. If a business has already paid its business rates in full for 2021/22 and is awarded this rate relief, any credit on the account will be carried forward into the new financial year 2022/23 and offset against your new instalments.
37. If any court or enforcement costs have been incurred during 2021/22 by a business that will qualify for this relief it will be entirely at the discretion of the Local Authority whether these are cancelled or not.

Appeals process

38. If you are unhappy with a decision by the Local Authority not to award you CARF relief or you are unhappy with a decision to remove this relief, you may ask the decision to be reconsidered. You must request this within 28 days of the decision not to award you relief, or within 28 days of the relief being removed.

Managing the risk of fraud

39. All Local Authorities listed in paragraph three administering the relief will not accept deliberate manipulation and fraud - and any business caught falsifying their records to gain relief awarded will face prosecution and any relief awarded will be subject to claw back, as may any relief awarded in error.

Sharing Information

40. By applying for a COVID19 additional relief all applicants give authority to administering Local Authorities to share data for efficient system administration and to protect the Public Purse, subject to the GDPR. This will include sharing data other Local Authorities.
41. The Local Authority will be required to share data with Government Departments for monitoring and other reasons. By applying for a COVID19 additional relief all applicants give authority for this.

Other Information

42. The Local Authority do not accept any liability for any issues that may arise for businesses because of applying for, receiving, or not receiving relief awards under this scheme.