

# **COVID19 ADDITIONAL RELIEF FUND (CARF relief) GUIDELINES**



SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL

## COVID19 ADDITIONAL RELIEF FUND (CARF relief)

### Version Control

Please ensure that this is updated each time the document is edited.

Version	Reviewed by:	Amendments Made:	Date:
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## COVID19 ADDITIONAL RELIEF FUND (CARF relief)

### Introduction

1. This guidance is intended for businesses liable for business rates in 2021/22 applying to South Kesteven District Council (known throughout the rest of the document as "The Council") for the additional rate relief which is funded by the COVID19 Additional Relief Fund (CARF).
2. This fund was announced by the government on the 15 December 2021 and gives The Council discretion over the COVID Additional Relief Fund, and their decisions on the awarding of relief as part of the Fund will be final.
3. The Council will have access to limited funding 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.
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. The guidance is aligned with the government guidance issued on 15<sup>th</sup> December 2021, which can be found here:

<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. A number of Local Authorities in Lincolnshire 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.

### Government scheme criteria

7. The Government have set certain criteria for the administration of the scheme, with further allowance for the Council to include other eligibility criteria so that the discretionary relief scheme can operate in the District.
8. In developing and implementing the scheme, the following Government set criteria will be taken into account:-

X must not award relief to ratepayers who for the same period of the relief (period from the 1 April 2021 to the 31 March 2022, or any part of this

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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);

- X 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);
  - X 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; and
  - X 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.
9. 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
  - g. **Ratepayers in administration, liquidation or subject to a strike off notice** on Companies House
  - h. **Ratepayers who have entered into a CVA or an IVA** during the period 2021/22
  - i. **Ratepayers who are unable to evidence** that they have been significantly impacted by the coronavirus
  - j. Ratepayers occupying properties for **storage purposes** only for short periods of less than 12 weeks.

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### South Kesteven District Council scheme criteria

10. The Council have determined the following local eligibility criteria:

- ✓ Only businesses **occupied and liable for business rates on 1<sup>st</sup> April 2021**, are eligible to apply (occupation of the property for business rates is defined as for a period of a day or more) within the South Kesteven District
- ✓ Relief application **must** be received by the Council by the **31 March 2022**. Late applications cannot be accepted, and the closing date may be much earlier if oversubscribed. To be eligible for relief you must:
- X If there is no business rates liability in 2021-22, you will not be eligible for this relief.
- X 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.

11. It is the intention of the Council's 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.

12. Please note, the Council may apply additional mechanisms to determine local need within their own District and all applications will be considered on their own merits.

### The Application Process – evidence required

13. The applicants will need to state when applying that by accepting the relief payment, they confirm that they are eligible for the relief scheme, including that any relief accepted will be fully in compliance with Subsidy Allowance requirements (see paragraph 18)

14. South Kesteven District Council reserves the right to cancel any award of this relief fund if subsequent information comes to light.

15. To expedite the application of the CARF relief, South Kesteven District Council will be asking ratepayers to complete an application form and declare their losses in turnover in 2020/21 compared to 2019/20 and to complete a statement that the ratepayer/business will not exceed the subsidy control limits.

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16. Ratepayers are encouraged to provide certification from their accountant or their legal representative to confirm these statements in support of their application form.
17. If business accounts are not available for any of the periods required, please provide consecutive bank statements and other documents such as invoices.

### The application process – 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>

### The Application Process - deadline

19. There will be a **closing date of midnight on 31<sup>st</sup> March 2022** for businesses to apply for this additional relief funding.
20. If further funding is provided by the Government or funding is unspent there will be further application rounds.
21. The Council 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.
22. As a condition of relief being awarded, the Council 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 Council permission to share data to check such compliance and that these guidelines are complied with.
23. 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.

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### Award of Relief

24. All awards of this relief will be by a credit against the business rates bill.
25. The Council will be responsible for:
- Evaluating COVID19 Additional Relief Fund (CARF) applications
  - Selecting the successful business applicants
  - Administering and delivering relief to those successful applicants.
26. The Council will endeavour, to make awards as quickly as possible to support successful business applicants, who are struggling financially.
27. 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.
28. 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.
29. 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 Council whether these are cancelled or not.

### Level of funding provided for successful applications

30. The Council have discretion to make relief awards of any amount. It will be for the Council to adapt this approach to local circumstances, such as providing support for businesses that are crucial for their local economies.
31. Your Covid Additional Relief will be calculated against the liability for periods of occupation for trading purposes during the financial year 2020/21 based on the information provided by 31<sup>st</sup> 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.
32. 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
33. As the funding from Government is limited, it is expected relief will be awarded at a maximum of 20% of net liability (after all other reliefs have been awarded). This is to maximise the number of ratepayers that are supported by this scheme.

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34. 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.

### Appeal Process

35. If you are unhappy with a decision by The Council not to award you CARF relief or you are unhappy with a decision to remove this relief, you may ask for the decision to be reconsidered.

36. 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

37. The Council 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.

### Post Payment Audit

38. For audit purposes, the Council 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 Council 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 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021.
- 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.

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- If business accounts are not available for any of the periods required, please provide consecutive bank statements and other documents such as invoices.
- The Council may come back to you for additional information.

39. The Council may come back to you for additional information.

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

### Information Sharing

41. By applying for a COVID19 additional relief all applicants give authority to the Council administering the scheme to share data for efficient system administration and to protect the Public Purse, subject to the GDPR. This will include sharing data to other Local Authorities.

42. The Council 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

43. The Council 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.