



Covid-19 Additional Relief Fund Policy (CARF) Business Rates

For Financial Year 2021/22 only

Approved by: 

Strategic of Finance and Governance

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1 Introduction

- 1.1 This policy document sets out the Council's approach to administering the Covid-19 Additional Relief Fund (CARF). The Government released guidance on how Local Authorities should apply this relief in December 2021.
- 1.2 On 25 March 2021 the Government announced a £1.5 billion package of support for businesses affected by the pandemic but were ineligible for assistance under the Covid-19 Retail Relief support schemes linked to business rates. The required legislation enabling the scheme to go live was passed in December 2021 and Government subsequently issued relevant guidance to local authorities at the end of December 2021.
- 1.3 Local Authorities have been provided with fixed funds to implement local schemes and cannot exceed their funding allocation. The relief will only apply to business rates for the financial year 1st April 2021 to 31 March 2022.
- 1.4 The Local Government Finance Act 1988 makes provision for local authorities to award certain reliefs using discretionary powers. This policy is administered under Section 47 of the Local Government Finance Act 1988 as amended by the Localism Act 2011.

2 General information related to the policy

- 2.1 This policy has been agreed by the Council to ensure that:
 - there is a framework in situ under which ratepayers applying for relief are treated in a fair, consistent, and equal manner.
 - the overall interest of the Council Taxpayers of the borough is safeguarded by ensuring that funds are allocated and used in the most effective and economic way and do not exceed the allocation of the fund.
- 2.2 The Council will consider each individual case in accordance with the criteria set out below.
- 2.3 The Government has allocated a fixed and limited amount of money as relief and so restrictions are being placed on the amount awarded to eligible businesses to ensure it is delivered within government funding.
- 2.4 Applicants will be notified by way of a revised bill notice or in writing of the outcome of their application once a decision has been made.
- 2.5 Recipients of relief are required to notify the Council immediately of any changes of circumstances which may have an impact upon the award granted.

3 Cost of the scheme

- 3.1 The CARF is being funded by Central Government with a fixed sum of £4,624,741 provided to the London Borough of Waltham Forest to distribute. The scheme will be contained within the funding envelope.

4 CARF Discretionary Relief

- 4.1 The Council recognises that the Covid-19 pandemic has detrimentally affected businesses within the borough and that Government support has predominately been directed at the retail, hospitality and leisure sectors with some sectors not receiving any support. This policy therefore aims to only provide support to specified businesses that have not received other reliefs and / or grants.

4.2 Eligibility criteria

- 4.2.1 Applicants must fulfil all the following criteria for any application to be considered and must also provide supporting evidence to qualify:

- The business must have been trading from 1 April 2021.
- The business is not entitled to or have already received a reduction against their business rates liability for the 2021/22 billing year in the form of mandatory or discretionary reliefs or discounts.
- The rateable value of the business must be between £15,001 and £190,000.
- Granting of relief will not result in the business exceeding the Subsidy Control thresholds.
- The business must have been adversely affected by the Covid-19 pandemic during 2021/22 and was unable to adapt to the changing environment. For example, moving online or diversifying the service offer.
- The business must have been occupied and trading for the period. Businesses that were closed temporarily due to Government instructions on Covid-19, will be treated as occupied for the purposes of this relief.
- The business must be solvent.
- The relevant premises must be in the London borough of Waltham Forest area.

4.3 Award levels

- 4.3.1 The Council will award a fixed percentage relief of 40% to the business rates liability of qualifying businesses for the financial year 2021/22.
- 4.3.2 The applications process will remain open until either the funds have been exhausted or on the date the scheme ends as determined by Government guidance. Based on current Government guidance, the final date on which awards can be made by the Council is 30th September 2022.
- 4.3.3 The Council reserves the right to increase the percentage awarded to qualifying businesses in the event that fewer businesses than anticipated qualify resulting in an underspend of the fund.
- 4.3.4 The relief will only be awarded for periods where the property is occupied unless, the property was unoccupied as a direct result of Government instructions due to Covid-19 restrictions.
- 4.3.5 If the CARF award results in a credit balance on the business rates account for 2021/22 the credit balance will, in the first instance, be used to offset any outstanding liability for other years. If there is no other outstanding debt any credit will be refunded to the business via BACS.
- 4.3.6 A revised business rates bill will be issued following the award indicating that a CARF award has been made and will show the period covered.

4.4 Businesses and circumstances not qualifying for CARF

- 4.4.1 Due to limited funds, not all ratepayers will qualify for this relief. The following businesses will therefore not be considered eligible under the scheme:
- Businesses that during this 2021/22 billing year either received or are eligible for the Expanded Retail Discount (covering Retail, Hospitality and Leisure businesses), the Nursery discount or Airport and Ground Operations Support scheme (AGOSS).
 - Businesses occupying hereditaments (premises) registered as empty for the qualifying period. (other than premises which were closed temporarily due to Government instructions on Covid-19).
 - Businesses in receipt of Small Business Rates relief.
 - Businesses in receipt of Mandatory relief.

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- Businesses in receipt of Discretionary Rate relief under section 44a,47 and 49 of the Local Government Finance Act 1988.
- Businesses in receipt of Discretionary Rates Relief under Section 69 of the Localism Act 2011.
- Businesses that exceed the subsidy control limits as detailed below.
- Businesses with a rateable value of £15,000 or less
- Businesses with a rateable value exceeding £190,000
- National companies
- Ratepayers subject to any personal or corporate insolvency procedures- including but not limited to, IVA, CVA, Debt relief order, Bankruptcy proceedings, striking off notice and administration.

The following Hereditaments are also excluded

- Land used for storage
- Schools and educational establishments
- Advertising
- ATMs
- Bank and premises
- Car Parks and spaces
- Petrol and filling stations
- Communication Stations
- Hospitals and Surgeries
- Bus stations/Depots
- Betting and Gambling businesses
- Housing Associations
- Overseas aid organisations
- Empty properties
- Professional services including but not limited to; solicitors, accountants, veterinarian services, dental practitioners, health care premises (Doctor's surgeries, health centres etc)

4.4.2 The above list is not exhaustive, and the award remains at the discretion of Waltham Forest.

4.4.3 In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, billing authorities cannot grant the discount to themselves, to a precepting authority, or to a functional body within the meaning of the Greater London Authority Act 1999.

5 The Application Process

- 5.1 Applications must be made by the registered ratepayer using the Council's online portal available via our website at www.walthamforest.gov.uk/businesses/business-rates/covid-19-additional-relief-fund-carf
- 5.2 Where the ratepayer is an organisation the application must be made by a person with the authority to act on behalf of that organisation. The Council may ask for evidence that the person making the application is entitled to act in that capacity.
- 5.3 Applications must answer all questions and provide all information required, which may include audited accounts.
- 5.4 If any organisation fails to provide information/ evidence within the required time limits, their application will not be considered.

6 Subsidy Control (previously State Aid)

- 6.1 The CARF scheme is subject to the subsidies chapter within the UK-EU Trade and Cooperation Agreement (TCA). However, for CARF there is an exemption for subsidies under the value of approximately £2,243,000 per economic actor (broadly speaking, for example, a holding company and its subsidiaries). This allowance comprises £325,000 Special Drawing Rights (at current exchange rates about £343,000) for small amounts of financial assistance and a further £1,900,000 for COVID-19 related subsidy.

Therefore, to be awarded CARF you must not have claimed over the period 2019/20 to 2021/22 more than £2,243,000 from schemes which fall within the Small Amounts Financial Assistance or COVID-19 related allowances. COVID-19 business grants you have received from Local Government and the 2019/20 Retail Relief count towards this limit, but you should not count any Extended Retail Discount you have received since 1 April 2020. Further details of subsidy control can be found at: <https://www.gov.uk/government/publications/covid-19-additional-relief-fund-carf-local-authority-guidance>

7 Review/ Reconsideration process

- 7.1 CARF is awarded entirely at the discretion of the local authority so there is no formal right of appeal. However, applicants dissatisfied with the authority's

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decision not to make an award may request that their application be reviewed/ reconsidered under the following circumstances:

- Additional information that is relevant to the application and that was not available at the time the decision was made becomes available; or
 - There are good grounds to believe the application or supporting information was not interpreted correctly at the time the decision was made.
- 7.2 Any such request should be made in writing with the title 'CARF Appeal' to the Service Head of Revenues and must be received by the Council within 4 weeks of the date on the decision letter refusing the relief. Late appeals will not be considered. The Service Head of Revenues decision will be final.
- 7.3 All review requests must state the reason for the request and include any supporting evidence.