

Gedling Borough Council

Covid Additional Relief Fund | Guidance

1. Introduction

Covid-19 has presented a significant and unprecedented challenge for businesses. Since the start of the pandemic the Government's response to support businesses has been of a similarly unprecedented scale. On 25 March 2021, the Government announced a new Covid-19 Additional Relief Fund (CARF) of £1.5 billion.

The fund is available to support those businesses affected by the pandemic but that are ineligible for existing support linked to business rates. The £1.5 billion has been allocated to local authorities based upon the estimated rateable value in each local authority rating list which falls within the scope of the fund.

This guidance sets out the scope of CARF and the criteria that Gedling Borough Council (the Council) will have regard to when determining awards from the fund. CARF will be paid to businesses as a relief against 2021/22 non-domestic rates liability, to reduce the chargeable amounts payable, and in accordance with Government guidance.

Government will fully reimburse local authorities for discretionary relief awards that comply with the guidance up to the maximum level of the allocations.

This policy and guidance supports the [Covid-19 Additional Relief Fund \(CARF\): Local Authority Guidance](#), issued by the Department for Levelling Up, Housing and Communities in December 2021.

2. Delegation

The authority to determine eligibility for CARF is delegated to the Director responsible for Revenues Services.

3. Who is eligible for CARF?

Businesses eligible for receipt of CARF will be:

- i. ratepayers in occupation of a non-domestic hereditament at any point during the 2021/22 financial year, and;
- ii. be able to demonstrate that they have been adversely impacted by coronavirus restrictions at their premises either through social distancing, government recommendations to work from home, or reduced demand (where the business predominantly supplies other businesses who were unable to trade) and have been unable to adequately adapt to that impact.

Only hereditaments with a chargeable amount to pay for the year 2021/22 will be eligible to benefit from the scheme, therefore cases with full relief (such as full small business rates relief) will not be eligible.

4. Who will be excluded from receiving CARF?

Government guidance determines that certain properties are excluded from awards of CARF. The Council must:

- i. not award relief to ratepayers 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);
- ii. 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), and;
- iii. direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact;
- iv. 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.

In addition to the above Government restrictions, the Council has determined that CARF will not be paid to certain classes of ratepayer or property as follows:

- i. Communications infrastructure
- ii. Energy production infrastructure
- iii. Banks / building societies
- iv. Royal Mail / logistics infrastructure
- v. Private healthcare
- vi. Water and waste management
- vii. Public administration
- viii. Schools and public educational establishments
- ix. Funeral parlours and crematoria
- x. Insolvent ratepayers
- xi. GP surgeries

5. How much CARF will be applied?

The Council has received funding of £1,189,282 in funding from Government for the purposes of applying CARF relief. This amount will act as a funding cap for the Council and under no circumstances will the amount of CARF allocated to ratepayers exceed this value.

CARF allocations will be made based on Gross Value Added (GVA) data provided by the Government. This data acts as a proxy for the economic impacts of Covid-19 on each business sector.

GVA data by business sector for 2021/22 is as follows:

SIC Code	Sector	Average GVA in 2021/22 (%)
A	Agriculture, forestry and fishing	-13
B	Mining and quarrying	-8
C	Manufacturing	-9
D	Energy	-1
E	Water and waste management	0
F	Construction	-14
G	Wholesale and retail	-8
I	Hospitality	-55
J	Information and communication	-6
K	Financial services	-2
L	Real estate activities	-2
M	Professional services	-7
N	Administrative services	-21
O	Public administration	1
P	Education	-20
Q	Health	-10
R	Arts, entertainment and recreation	-34
S	Other services	-32
X	J-N: Information, communication, financial intermediation, real estate and business services	-6
Y	Transport	-32
Z	Storage and distribution	-1

The Council will apply relief to eligible hereditaments as a proportion of their specific impact demonstrated by the GVA data in this paragraph.

6. How will CARF will be applied?

CARF will be applied as a relief payment to the 2021/22 balance for a ratepayer. In most cases, this balance will be zero as it is paid.

The resulting credit amount will be transferred to the ratepayer's 2022/23 liability subsequently reducing the amount due to pay.

The Council will send an amended bill to all affected ratepayers with a covering letter explaining the ratepayer's options as follows:

- i. Do nothing and continue to pay a reduced 2022/23 bill
- ii. Make an online request for the credit amount to be sent as a refund
- iii. Decline the award of CARF on the grounds of subsidy or for any other reason

7. Subsidy Control

In accordance with Government guidance, provision of CARF 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.

Further details of the UK's subsidy control rules [can be found here](#).

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Last Review: September 2022

Next Review Due: None required: scheme eligibility ends 30th September 2022