

Report to: **Council**

Date: **15<sup>th</sup> February 2022**

Title: **COVID19 Additional Relief Fund (CARF) Scheme**

Portfolio Area: **Cllr Jory – Leader of the Council**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

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**RECOMMENDATIONS: That Council agrees**

- i) To delegate the approval of a scheme to administer the COVID 19 Additional Relief Fund (CARF), to the Section 151 Officer in consultation with the Leader of the Council, the Mayor, the Chairman of the Overview and Scrutiny Committee and the Lead Hub Committee Member for Economy (the four Members of the Council’s Discretionary Business Rates and Rate Relief Panel).**

**1. Executive summary**

- 1.1 The Government has announced a new COVID-19 Additional Relief Fund (CARF), to support those businesses affected by the pandemic who are ineligible for existing support linked to business rates. The CARF scheme is a business rates relief scheme, where the Council will be administering business rates relief to eligible businesses in 2021/22. The rate relief awarded will be deducted from businesses’ business rates bills in 2021/22.

- 1.2 The Council's allocation is £633,714 for the COVID-19 Additional Relief Fund (CARF). The Council's scheme for the administration of CARF (a rate relief scheme), is proposed to be delegated to the Section 151 Officer, in consultation with the Leader of the Council, the Mayor, the Chairman of the Overview and Scrutiny Committee and the Lead Hub Committee Member for Economy (the four Members of the Council's Discretionary Business Rates and Rate Relief Panel).
- 1.3 There is an acute time pressure to award the rate relief as this needs to be done before the business rates bills for 2022/23 are issued at the end of February 2022.

## **2 THE COVID-19 ADDITIONAL RELIEF FUND (CARF) SCHEME**

- 2.1 Some businesses had lodged an appeal against their rateable value with the Valuation Office due to the impact of COVID19, under a basis called MCC (Material Change of Circumstance). The Government has said this is not appropriate as a Material Change of Circumstance and instead the CARF scheme has been passed onto Billing Authorities to administer locally.
- 2.2 On 25 March 2021, the Government announced the new COVID-19 Additional Relief Fund (CARF) of £1.5billion nationally, to support those business rate payers affected by the pandemic who are ineligible for existing support linked to business rates.
- 2.3 On 15 December 2021, the Government published more information and clarification on the scheme. West Devon Borough Council is in the process of designing details of how the business rate relief scheme will operate. The Business Rates team is undertaking modelling of how the rate relief could be administered, taking into account the formulae of how the Council's allocation of £633,714 was derived at.
- 2.4 The Council's allocation of £633,714 is based upon the estimated rateable value in each local authority business rates rating list which falls within the scope of the fund, weighted for the Gross Value Added (GVA) impacts of COVID-19 per business sector.
- 2.5 Each individual Billing Authority (e.g. West Devon Borough Council) is responsible for designing the discretionary relief scheme that is to operate in its area and to direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact. It will be for Local Authorities to determine the level of relief for individual business rated properties.

2.6 However, awards can only be made to reduce the business rates bill for an individual business in 2021/22 and the Government has made it clear that the following categories of businesses are **ineligible** for the business rates COVID-19 Additional Relief Fund (CARF):

- 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)
- Unoccupied properties (other than property that has closed temporarily due to the Government's advice on COVID-19, which should be treated as occupied for the purposes of this relief)

2.7 Further Government Guidance on the scheme is available at:

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

The explanation of the allocation methodology, categories and definitions are contained in Annex A to F of the Government guidance.

2.8 The Government will reimburse local authorities where relief is granted using discretionary relief powers under section 47 of the Local Government Finance Act 1988. It will be for individual billing authorities to adopt a local scheme and determine in each individual case whether, having regard to this guidance and their own local scheme, to grant relief under section 47. The relief is available to reduce business rates bills in respect of 2021/22.

2.9 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, certain precepting authorities (e.g. a parish or county council) or a functional body, within the meaning of the Greater London Authority Act 1999.

2.10 The Government recognises that the implementation of this policy will place an additional burden on local authorities and new burdens funding will be issued to Billing Authorities.

### **3 NEXT STEPS AND PROPOSED WAY FORWARD**

3.1 The Council's allocation is £633,714 for the COVID-19 Additional Relief Fund (CARF). The Council's scheme for the administration of CARF (a rate relief scheme), is proposed to be delegated to the Section 151 Officer, in consultation with the Leader of the Council, the Mayor, the Chairman of the Overview and Scrutiny Committee and the Lead Hub Committee Member for Economy (the four Members of the Council's Discretionary Business Rates and Rate Relief Panel).

#### 4. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		<p>The Government will reimburse local authorities where relief is granted using discretionary relief powers under section 47 of the Local Government Finance Act 1988. It will be for individual billing authorities to adopt a local scheme and determine in each individual case whether, having regard to this guidance and their own local scheme, to grant relief under section 47. The relief is available to reduce business rates bills in respect of 2021/22.</p>
Financial implications to include reference to value for money		<p>The Council's allocation is £633,714 for the COVID-19 Additional Relief Fund (CARF).</p> <p>The Council's scheme for the administration of CARF (a rate relief scheme), is proposed to be delegated to the Section 151 Officer, in consultation with the Leader of the Council, the Mayor, the Chairman of the Overview and Scrutiny Committee and the Lead Hub Committee Member for Economy (the four Members of the Council's Discretionary Business Rates and Rate Relief Panel).</p> <p>It will be for local authorities to determine the level of rate relief for individual business rated properties that are eligible for rate relief.</p> <p>As part of Grant Thornton's external audit of the Statement of Accounts for 2020/2021, they have concluded that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.</p>
Risk		<p>There is an acute time pressure to award the rate relief as this needs to be done before the business rates bills for 2022/23 are issued at the end of February 2022. Therefore a key risk is one of timing and the availability of resource within the business rates team to carry out this work, whilst also administering the business rates grants and the work involved in annual billing for both business rates and council tax.</p>
Supporting Corporate Strategy		<p>This rate relief policy would fall within the remit of the Economic Thematic Delivery Plan.</p>

Consultation and Engagement Strategy		The CARF Policy does not require a public consultation process.
Climate Change - Carbon / Biodiversity Impact		None directly arising from this report.
<b>Comprehensive Impact Assessment Implications</b>		
Equality and Diversity		None directly arising from this report.
Safeguarding		None directly arising from this report.
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		None directly arising from this report.
Other implications		None directly arising from this report.

**Supporting Information**

**None**