

Appendix A – COVID-19 Additional Relief Fund (CARF) scheme – Proposed Criteria Phase Two

1. Introduction

- 1.1 On 15 December 2021 the Government announced a new COVID-19 Additional Relief Fund (CARF). The fund will be available to support those businesses affected by the pandemic but that are ineligible for existing support linked to business rates.
- 1.2 The relief is available to reduce chargeable amounts in respect of 2021/22
- 1.3 The fund is available to support those businesses affected by the pandemic but that are ineligible for existing support linked to Business Rates.
- 1.4 Local authorities were required to adopt a local scheme and determine in each individual case whether, having regard to government guidance and their own local scheme, to grant relief under section 47(3) of the Local Government Finance Act 1988
- 1.5 The Government will reimburse the Council for discretionary relief awards which complies with government guidance, and the Councils own scheme up to a maximum of £4,203,655.
- 1.6 The Council opened an application window for CARF between 28th January 2022, and 28th February 2022. Due to the low number of eligible applications this window was extended to 31 March 2022.
- 1.7 The number of eligible applications remained low which was consistent with other local authorities both locally and nationally.
- 1.8 To ensure the CARF scheme is maximised the Council will undertake an exercise to award eligible business relief. Businesses will be asked to opt out of the scheme should they not meet the criteria as set out below.

2. How will the relief be provided?

- 2.1 As this is a temporary relief the Government is not changing the legislation around the reliefs available to properties. Instead the Government will reimburse the Council (under section 47(3) of the Local Government Finance Act 1988 to grant relief in line with the eligibility criteria set out in this guidance.
- 2.2 Central Government will reimburse the Council for the actual cost under the rates retention scheme of granting relief that falls within the definitions in this guidance.
- 2.3 The relief will be applied by direct award except where it appears as though an organisation may breach subsidy limits.

3. Who is eligible for relief?

- 3.1 Ratepayers occupying hereditaments shown in the commercial rating list during the financial period 1 April 2021 to 31 March 2022, that were liable for business rates in 2021/2022, and not eligible for existing support related to business rates.
- 3.2 The relief will be a percentage reduction in the net bill that was issued for 2021/2022. The minimum amount of relief for per business is £100.

4. Which properties are excluded from the relief?

4.1 Government guidance dictates that the following are excluded from the scheme:

- Businesses that were unaffected by the COVID 19 Pandemic.
- Businesses in receipt of 100% Small Business Rates Relief.
- Businesses in receipt of 80% Mandatory Relief and 20% Discretionary Relief.
- Businesses in receipt Extended Retail Discount, Nursery Relief, or the Airport and Ground Operations Support Scheme (AGOSS).
- Properties that were unoccupied for a period during the 2021/22 financial year. (this does not include instances where a property had to close temporarily due to COVID-19 Restrictions).
- Local government properties including Parish and Town Councils, and local authority owned companies.
- Businesses in administration, liquidation or subject to a strike off notice on companies' house.
- Businesses who entered a CVA or IVA during the course of 2020/21.

4.2 Further to the above the Council has determined that the following will not be considered for relief under this scheme:

- Any businesses that became liable for business rates at the relevant address after the 1st April 2021 or has since vacated the premises.
- Businesses unaffected by the COVID 19 pandemic
 - Public bodies include:
 - Government departments
 - Legislative bodies
 - Local government including parish and town councils, local authority owned companies
 - NHS including NHS and Foundation Trusts
 - Maintained schools, Academy Schools and Further / Higher Education Institutions
 - Fire Services
 - Police Services
 - The Armed forces
 - Utilities and Communications infrastructure (e.g. telephone masts, sub-stations, sewage works, hydro power stations, photovoltaic installations, gas storage facilities)
 - Housing Associations or Arms-length management organisation (ALMO).
 - Advertising Agents
 - Supermarkets
 - Trade Unions
- Sites or properties where no one is directly employed to work. Examples may include:
 - Advertising Rights/Boards
 - Land used for advertising
 - Car Parking Spaces
 - Car Parks
 - Sponsorship signs
 - Automated teller machines (ATM) or cash machines.
 - Premises/land used for personal storage
 - Pipeline & appurtenances
- Medical Services (e.g. GP Surgeries, Health Centres, Dentists, Vets, or pharmacies.)
- Dormant companies that have been incorporated at Companies House that don't trade and have no accounting transactions.
- Businesses that engage in rate mitigation schemes (such as periodic intermittent occupation) will not be considered for this type of relief.

- Where it is likely any award would breach subsidy limits this relief won't be automatically applied.
- Charitable organisations who may be able to apply for relief using the local Discretionary Rate Relief Scheme.

5. Calculation of Relief

- 5.1 Total relief for the 2021/22 financial year equivalent to 20% relief up of the net rates payable between 1st April 2021 and 31st March 2022.

For Example:

- Rateable Value = 6,800
- Non-Domestic Debit = $6,800 \times 0.499 \times 365/365 = \text{£}3,393.20$

Period 01.04.2021 to 31.03.2022

Charge for Period = £3,393.20

20% of £3,393.20 = £678.64

Remaining Charge = £2,714.56

- 5.2 The amount of relief awarded may be recalculated in the event of a change in circumstances where the net charges are reduced.
- 5.3 The council reserves the right to vary the number of awards to utilise all the available government funding.

6. Reconsideration

- 6.1 A business that has not been awarded CARF can submit a request in writing advising how they meet the criteria, including supporting evidence to business.rates@oldham.gov.uk. This request must be received by 18th September 2022.

7. Fraud

- 7.1 Businesses may face prosecution if they manipulate or falsify their order to obtain an award under this scheme. Any award made as a result of fraud may be subject to claw back, as may any refunds paid in error.

8. Policy changes

- 8.1 Changes to this policy can be made under delegated authority of the Director of Finance in consultation with the Deputy Leader and Cabinet Member for Finance and Low Carbon.