

**Barking &
Dagenham**

Policy for the award of COVID-19 Additional Relief Fund (CARF)

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Introduction

On the 25 March 2021 the Government announced a new COVID-19 Additional Relief Fund (CARF). The fund is intended to support those businesses affected by the pandemic but that are ineligible for previous or existing Covid-19 support schemes linked to business rates.

The Government released details of how Local Authorities should apply this relief in December 2021.

This policy sets out the qualifying criteria under which businesses may qualify for COVID-19 Additional Relief Fund (CARF). This relief will apply only to the financial year 2021/22 and will reduce qualifying businesses business rates bills by 90%.

Relief will be granted using The Local Authorities discretionary powers under section 47 of the Local Government Finance Act 1988.

Eligibility

The London Borough of Barking and Dagenham is aware 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 business sectors, with minimal support given to other sectors that have been affected.

The Government has allocated £4,591,492 to be allocated by the London Borough of Barking and Dagenham in the form of relief from paying Business Rates in 21/22.

The purpose of this relief scheme will be to support businesses that have received no or minimal support from Government during the pandemic and have been detrimentally affected but have been unable to adapt to the impact.

The Government have allocated a limited amount of money as relief and so limits are being placed on the amount awarded and those businesses that will be eligible

Businesses that are not eligible for this relief include:

Businesses 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 Airport and Ground Operations Support scheme (AGOSS),

For a periods where the premises is unoccupied (other than businesses 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)

Businesses with a rateable value of £51,000 and above
Businesses that exceed the subsidy limit as detailed in this document.
Businesses that are closed/insolvent/bankrupt/no longer trading
Supermarkets
Banks
Financial advice businesses
Betting shops/gambling establishments
Car parks
Land
Government occupied properties
Local Government occupied properties
Schools/colleges
Mobile network suppliers
Housing associations

This list is not exhaustive, and award of relief remains at the discretion of the Local Authority

Qualifying for relief

Businesses that qualify for the relief will be identified by the Council and the relief automatically awarded to the 21/22 charge and a new bill issued.

A letter will be sent to the qualifying businesses requesting that they opt out if they exceed the subsidy rules laid out in this document.

Award of relief

Qualifying businesses will be awarded 90% relief to their business rates bill for 2021/22 only.

Relief will be applied after mandatory and other discretionary reliefs have been applied.

The relief will only be applicable for periods where the properties is occupied unless the property was unoccupied as a direct result of Government instruction as part of Covid-19 restrictions.

Where the business has unpaid business rates in previous years, any overpayment created by the relief will be used to pay all or part of those arrears.

Where the business has paid the charge in 21/22 and the accounts falls into credit, the credit will be moved forward to cover the charge in 22/23.

Any overpayment of business rates after any arrears have been paid will be refunded to the business.

A new Business Rates bill will be issued upon applying the relief

Subsidies

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 fell within the Small Amounts of Financial Assistance or COVID-19 related allowances. COVID-19 business grants you have received from local government and the 2019/20 Retail Relief should 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-fundcarf-local-authority-guidance>