



COVID-19 Additional Relief Fund Discretionary Business Scheme

(Under S47 – Local Government Finance Act 1988)

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Background

1. 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.
2. The £1.5 billion was allocated to local authorities based upon the estimated rateable value in each local authority rating list which falls within the scope of the fund, weighted for the Gross Value Added (GVA) impacts of COVID-19 per sector. Barrow Borough Council has been awarded £1,355,251.
3. The Government is not changing the legislation relating to the business rates reliefs available to properties. Instead, the Government will, in line with the eligibility criteria set out in this guidance, reimburse local authorities where relief is granted using discretionary relief powers under section 47 of the Local Government Finance Act 1988. The relief is available to reduce chargeable amounts in respect of 2021/22.

Exclusions

4. Billing authorities are responsible for designing the discretionary relief schemes that are to operate in their areas. However, in developing and implementing their schemes local authorities must, if they are funding the relief from the section 31 grant:
 - a. 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),
 - b. 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
 - c. direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.
5. 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.
6. The Council's scheme excludes all public sector bodies.

Change of Circumstance

7. The amount of relief awarded may need to be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or the hereditament. This change of circumstances could arise during the year in question or during a later year.

Scheme

8. The Council has used the Gross Value Added (GVA) as a proxy for the economic impacts of COVID-19 on each business sector to reflect the calculation that Government has based the allocation against.
9. The calculation uses the GVA compared to February 2020 for the period April 2020 to March 2021:

SIC Code | Definition | Average GVA Reduction

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%

(SIC – Standard Industry Classification)

10. The relief is awarded as follows:

- those accounts which fall into the SIC codes where the GVA reduction exceeds 10%; 100% relief will be awarded to these accounts
- those accounts which fall into the SIC code category G (Wholesale and Retail) which has a GVA reduction of 8%; 100% relief will be awarded to these accounts
- those accounts with an aggregate Rateable Value under 500,000, which fall into the SIC code category C (Manufacturing) which has a GVA reduction of 9%; 10% relief will be awarded to these accounts
- those accounts which fall into the SIC code category B (Mining & Quarrying) which has a GVA reduction of 8%; 10% relief will be awarded to these accounts

Subsidy Allowance

11. 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.
12. Therefore, to be awarded CARF businesses 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.
13. COVID-19 business grants 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.
14. Further details of subsidy control can be found at:
<https://www.gov.uk/government/publications/covid-19-additional-relief-fund-carf-local-authority-guidance>
15. Businesses must inform the Council if their subsidy allowance is breached and the CARF will be removed from the hereditament.

Decisions

16. There is no right to appeal, and the decision of the Council is final.
17. The Council's interpretation of this document is at its own discretion, and it will be the final arbiter of the definitions contained within this scheme.

Data Protection

18. The Council treats all its information that it holds on file with the upmost care and confidentiality. For more on our Privacy Policies and to see how we use and share your data, please see here [Barrow BC - Data Protection and Privacy Statement](#)

Updates

19. The Council reserves the right to update and change this scheme without notification or prior warning in the event that the Government updates or changes its guidance or in the event of an error or omission.