

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	24 JANUARY 2022	4
COVID-19 ADDITIONAL RELIEF FUND (CARF)			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

On 25 March 2021, the government announced the new COVID-19 Additional Relief Fund (CARF) of £1.5 billion. The fund was made available to support those businesses affected by the COVID-19 outbreak, which are ineligible for existing support linked to business rates.

Since the initial announcement in March 2021 councils have been waiting further details of the fund. Legislative changes finally received Royal Assent on 15th December 2021 and the Department for Levelling Up, Housing and Communities published guidance on 16th December 2021 to support councils in administering the COVID-19 Additional Relief Fund. The funding is to be offered in the form of relief from business rates which would otherwise be payable for eligible businesses. It is for Local Authorities to determine how best to utilise these funds during 2021/22; Fylde Council have received an allocation of £1,250,984.

The report sets out proposals for the administration of this funding.

RECOMMENDATIONS

1. That members accept the proposed recommendation for the distribution of the funding based on the information in the main body of the report.

SUMMARY OF PREVIOUS DECISIONS

None

CORPORATE PRIORITIES

Economy – To create a vibrant and healthy economy	√
Environment – To deliver services customers expect	
Efficiency – By spending money in the most efficient way	√
Tourism – To create a great place to live and visit	

REPORT

1. On 25 March 2021 the Government announced a new COVID-19 Additional Relief Fund (CARF) of £1.5 billion. The fund will be available to support those businesses affected by the pandemic but that are ineligible for existing support linked to business rates.
2. Since the initial announcement in March 2021 councils have been waiting further details of the fund. Legislative changes finally received Royal Assent on 15th December 2021 and the Department for Levelling Up, Housing and Communities published guidance on 16th December 2021 to support councils in administering the COVID-19 Additional Relief Fund. The funding is to be offered in the form of relief from business rates which would otherwise be payable for eligible businesses. Fylde Council have received an allocation of £1,250,984.
3. It will be for individual billing authorities to adopt a local scheme and determine in each individual case whether to grant relief under section 47 of the Local Government Finance Act 1988. The relief is available to reduce chargeable amounts in respect of 2021/22 so must be awarded to Business Rate accounts prior to 31st March 2022. The Government will reimburse local authorities where relief is granted using discretionary relief powers under section 47.
4. In developing and implementing their schemes local authorities must:
 - not award relief to ratepayers who for the same period of the relief either received, or would have been eligible and did not apply, for the Extended Retail Discount (covering Retail, Hospitality and Leisure), the Nursery Discount or the Airport and Ground Operations Support Scheme (AGOSS),
 - 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
 - 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, certain precepting authorities (e.g. a parish, town or county council) or a functional body, within the meaning of the Greater London Authority Act 1999. The relief should be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied e.g. small business rate relief, mandatory charitable relief etc. The award is subject to the UK's domestic and international subsidy control obligations (formerly State Aid).
6. In addition to exclusions stated in the guidance it is proposed that the following categories are removed from the application process. These additional exclusions have been determined on the basis that they are deemed to not have been adversely affected by the pandemic. However, if there are additional enquiries from businesses who believe they would be eligible then these will be considered on a case by case basis. Proposed further exclusions:
 - Educational premises (schools/colleges/ higher education institutions)
 - Government properties (Police, Courts, Land Registry, DWP, HMRC, NHS), legislative bodies and the armed forces
 - Utilities and communications infrastructure, including telephone masts
 - Waste transfer sites
 - Advertising right / station and premises
 - Network supplying utilities and associated properties
 - Cemeteries

- Petrol stations

7. Removal of businesses which are not intended to be assisted as listed in the guidance or have been excluded for other reasons as shown in section 6 leaves approximately 391 businesses who may wish to apply for the relief. These eligible businesses will predominantly be offices, warehouses, workshops, manufacturing units and industrial storage units and they will be invited to apply.
8. It is proposed that an application process is made available to these businesses and they apply for the discount. Given the tight timescales to award the relief, they will be expected to complete a self-declaration to confirm they comply with the requirements to receive a relief as stated in the guidance and that they have been adversely affected by the pandemic and have been unable to adequately adapt to that impact and be able to produce accounts and bank statements confirming this, if they are asked to. It is proposed that once the relief has been awarded there is some level of post assurance checks are put in place.
9. Once the application process deadline has passed, we will be able to determine how many businesses have applied and then allocate the £1,250,984 funding accordingly as a fixed percentage off their business rates payable. That percentage will only be able to be confirmed once the application process has closed when we know how many businesses have applied. By using this methodology we will be able to automatically allocate the relief using existing system parameters. This will need to be completed prior to 31st March 2022 to meet the requirements of the scheme. Everyone will receive the same percentage off their rates payable so the scheme will be equitable across all eligible businesses.

RECOMMENDATION

The committee is recommended to approve the proposal for allocation of the CARF funding.

IMPLICATIONS	
Finance	Fylde Council has been allocated £1,250,984 additional funding for CARF from the national £1.5billion funding, as detailed in the report.
Legal	None arising from this report
Community Safety	None arising from this report
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	None arising from this report
Health & Safety and Risk Management	None arising from this report

LEAD AUTHOR	CONTACT DETAILS	DATE
Louise Jones – Head of Revenues and Benefits (Shared Service)	Louise.Jones@blackpool.gov.uk	10 Jan 2022

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
COVID-19 Additional Relief Fund (CARF): Local Authority Guidance	16/12/2021	CARF Guidance.docx (publishing.service.gov.uk)