

Covid Additional Relief Fund (CARF)

Business Rates Relief – January 2022



On 15th December 2021, the Government published information regarding the **Covid-19 Additional Relief Fund (CARF)** to provide financial support to Businesses impacted by the pandemic.

CARF is a new relief fund (worth £1.5 billion) to support businesses in England affected by COVID-19 but not eligible for existing support linked to business rates.

The £1.5 billion will be allocated to local authorities based upon the estimated rateable value in each local authority rating list. **For Plymouth City Council, the allocation is £5.86m.**

Guidance has been issued to support billing authorities in administering the CARF using Section 47 discretionary powers. This means it is for local authorities to determine the level of relief, with Central Government reimbursing any award.

There are 7,890 business subject to business rates. Due to the government guidance, a large portion of these businesses are not entitled to the new CARF scheme and have been removed, as follows;

	Number of Properties	Total Rates due
Original Caseload	7890	£71 915 467
Less: 100% SBRR	2826	£0
Less: Retail Relief	1566	£25 658 004
Less: Nursery Relief	43	£78 379
Less: PCC Properties	450	£3 690 789
Less: Empty Properties	707	£2 760 960
Remaining Properties	2 298	£39 727 335

The only other criteria given in the guidance is that authorities 'direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact'. In line with other Devon Authorities, we have removed further groups of business rates accounts classified as not been adversely affected by Covid, and a final list has been produced between Finance and Economic Development partners. The final exclusions are the following groups:

Type of Business	Number of Accounts	Total Rates due
Public Funded	172	£14 978 961.75
Education	142	£2 196 836.18
Advertising Rights	292	£152 754.68
Telecoms / Utilities	140	£3 050 251.81
Solar Panels	40	£18 443.23
Financial Institutions	34	£1 082 002.17
Doctor Surgeries	25	£247 994.68
Housing Associations	46	£95 850.28
Large Distribution and Parcel Delivery	18	£384 456.70
Further Identified as Entitled to Retail Relief	41	£801 397.84
Others determined as having no adverse effect by the pandemic	61	£1 760 858.53

Following the above exclusions, there are 1,285 business rates accounts identified, with a total rates charge of **£14,954,898**. Our recommendation is to apply a fixed 38% reduction in Business Rates. The total relief equates to £5.68m, which allows a small shortfall of £177K to be used as a discretionary allocation*.

Primarily the CARF will benefit Office Buildings (over 520) and Factories and Workshops (over 300) and car parks (over 130).

The relief is to be applied for the year 2021/2022, and given we are nearing the end of the financial year will mean that business benefiting from CARF will be in credit with their business rates. As these rates have been paid it is our recommendation to automatically carry forward this credit towards next year's business rates demands, however we will also be asking customers to contact us if they would prefer a refund.

In the majority of cases, the subsidy being provided to businesses will fall below the de minimis allowance of £325,000 in any three years. Where it is apparent that the subsidy is likely to exceed the de minimis allowance, the Council will work with the intended recipient to ensure that the aid is in compliance with the subsidy control rules. The Council reserves the right not to provide the aid if it is deemed to be in contravention of the subsidy control rules.

CARF Discretionary Allocation

It is proposed that the remaining balance of £177K is used as a Discretionary Allowance, which can be applied at the discretion of the Section 151 Finance officer, following any such application or appeal from businesses who meet the initial CARF qualifying criteria but have not been selected in the final scheme. Such cases will be reviewed on an individual basis.

It is asked that the proposals above be agreed so that we can commence updating accounts and notifying customers accordingly.

Paul Walshe

Revenues, Benefits and Financial Transactions Service Manager

**Note: above relief will be granted as per the ratepayer records as at 10th January 2022 (being the date the data was extracted)*