



Mansfield
District Council

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COVID19 ADDITIONAL RELIEF FUND (CARF)

Policy & Guidelines

Version 1

Introduction

COVID-19 has presented a significant and unprecedented challenge for businesses. Since the start of the pandemic the Government's response to support businesses has been of a similarly unprecedented scale. 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. The £1.5 billion will be allocated to local authorities based upon the estimated rateable value in each local authority rating list which falls within the scope of the fund.

This policy and guidance sets out the scope of CARF and the criteria that Mansfield District Council (MDC) will have regard to when determining awards from the fund. CARF will be paid to businesses as a relief against 2021/22 non-domestic rates liability, to reduce net amounts payable, and in accordance with Government guidance. Central government will fully reimburse local authorities for discretionary relief awards that comply with the guidance up to the maximum level of the allocations.

This policy and guidance supports the COVID-19 Additional Relief Fund (CARF): Local Authority Guidance, issued by the Department for Levelling Up, Housing and Communities in December 2021. The Government guidance is available at:-

<https://www.gov.uk/government/publications/covid-19-additional-relief-fund-carf-local-authority-guidance>

Mansfield District Council have access to relatively limited funds from the government for this fund (please see this link), which has replaced the legal right to appeal to the Valuation Office Agency on Material Change of Circumstances grounds due to COVID. Allocations to eligible businesses will be limited to a set %, which means that businesses who do qualify will still have some business rates to pay.

The government guidance issued on 15th December 2021 gives the above Councils discretion over the COVID Additional Relief Fund, and their decisions on the awarding of relief as part of the Fund will be final.

Eligibility for awards of CARF

Businesses eligible to be considered for an award of CARF must:

- Be a ratepayer in occupation of the hereditament as at 1 April 2021 and continue to be in occupation throughout the 2021/22 financial year.
- Be able to demonstrate they have been adversely impacted by coronavirus restrictions at their premises either through social distancing, government

recommendations to work from home, or reduced demand and were unable to adequately adapt to that impact.

Properties that will be excluded from awards of CARF

Government guidance determines that certain properties are excluded from awards of CARF. Local authorities must

- 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),
- 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.
- 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 or county council) or a functional body.

In addition to the above Government restrictions, Mansfield District Council has determined that CARF will not be paid to properties or ratepayers in the following conditions

- Hereditaments that do not directly employ anyone (for example: communication masts, ATMs)
- NHS, including NHS and Foundation Trusts, practitioner who provide services under contract to the NHS
- Maintained schools, Academy Schools and Further / Higher Education Institutions,
- Businesses in administration, liquidation or subject to a strike off notice on companies house,
- Businesses who entered into a CVA or IVA during the course of 2020/21

- Where there is evidence to support this, businesses who cause a detrimental impact on the region, our residents, or our communities (including businesses who undertake tax avoidance schemes).
- Businesses who have not been significantly impacted by the coronavirus pandemic.
- Note – only hereditaments with a chargeable amount to pay for the year 2021/22 will be eligible to benefit from the scheme, therefore cases with full relief (such as full SBRR) will be excluded.

CARF Award process

- Mansfield District Council has been allocated £1,724,144 in CARF funding.
- The Government has conducted an investigation as to how businesses have been affected by the pandemic, the results of which were included in the guidance issued for the scheme and are based upon SIC codes.
- In modelling the potential awards, after removing hereditaments listed as excluded from the scheme there was a predominance of hereditaments in SIC code C (Manufacturing). It is therefore proposed to award the same percentage relief across all property classifications at the rate of 23% of 2021/22 net rates payable. In addition to this, SIC codes used in the rating list may not be 100% accurate and could lead to appeals against awards if different percentages are awarded to different classes of property.
- Each case will be awarded relief based on its individual circumstances
- Liable parties will be written to, asking them to confirm their current position to ensure any award is within current subsidy control limits
- The award will either reduce their bill for 2021/22 or place it in credit.
- If the bill is in credit, this will either be refunded or transferred forward to the 2022/23 bill depending on the wishes of the customer.

Subsidy Control

In accordance with Government guidance, provision of CARF is likely to amount to a subsidy.

Any relief provided by Local Authorities under the CARF Scheme will need to comply with the UK's domestic and international subsidy control obligations. Further details of the UK's subsidy control are contained in the COVID-19 Additional Relief Fund (CARF): Local

Authority Guidance, issued by the Department for Levelling Up, Housing and Communities in December 2021.

Managing the risk of fraud

Mansfield District Council will not accept deliberate manipulation and fraud – and any ratepayer makes false representation in order to gain relief may be guilty of fraud under the Fraud Act 2006 and any relief awarded will be subject to claw back, as may any relief awarded in error.

Other Information

Mansfield District Council does not accept any liability for any issues that may arise for businesses because of applying for, receiving, or not receiving relief awards under this scheme.