



Elmbridge Borough Council

... bridging the communities ...

Elmbridge Borough Council - Covid Additional Relief Fund (CARF) Scheme

Published January 2022

1. Background

1.1 This scheme relates to Elmbridge Borough Council Covid Additional Relief Fund Scheme. On 25 March 2021 the Government announced a new COVID-19 Additional Relief Fund (CARF) of £1.5 billion. The fund is to support those businesses affected by the pandemic but that are not eligible for other reductions in their business rates as a result of Covid. Elmbridge Borough Council has received £3.8 million of funding.

1.2 The Government published the guidance (<https://www.gov.uk/government/publications/covid-19-additional-relief-fund-carf-local-authority-guidance>) for the operation of CARF on 15 December 2021.

1.3 The business ratepayers who are eligible for this relief (discount) are businesses who have not received other discounts on their business rate as a result of Covid and are broadly:

- Factories
- Workshops
- Warehouses
- Storage
- Residential Retreats/Study Centres
- Kennels and Catteries
- Stables
- Car Washes

who also meet the other requirements of this scheme.

1.4 The Government are enabling relief to be granted using discretionary relief powers under section 47 of the Local Government Finance Act 1988. It is for individual Billing Authorities (Elmbridge is a Billing Authority) to adopt a local scheme. This scheme is Elmbridge Borough Council CARF Scheme made in accordance with the requirements of section 47 of the Local Government Finance Act 1988 Act.

2. Elmbridge BC CARF scheme

- 2.1 In developing and implementing their schemes local authorities must:
- 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.

The relief should be applied after mandatory reliefs and other discretionary reliefs have been applied.

- 2.2 The Council will need to ensure that it stays within the total amount of funding available. Currently, there are no indications from government that any additional funding will be made available.
- 2.3 In summary the government have indicated that the following business sectors would most likely not be eligible for CARF (as they would have already been eligible for support from another government scheme):
- retail,
 - hospitality,
 - leisure,
 - nurseries,
 - airports.

The Council acknowledges that these are wide ranging groups, however eligibility is dependent upon if you would have not been eligible for Discounts under 2.1 (a), if you were not eligible for a discount under 2.1(a) above and fall into one of these broad categories you may be eligible for this discount, subject to the other conditions and exclusions which apply to this scheme.

- 2.4 Hereditaments with a rateable value of £500,000 or greater as at 21 December 2021 will not be eligible. The rateable value of your property is shown on your demand (it is not the amount you are required to pay).
- 2.5 In line with previous Government grants, it is the main/primary use (greater than 50%) of the property that will be used to determine if the property is eligible for this discount.
- 

- 2.6 The following main uses are excluded from relief under this scheme:
- Offices
 - Petrol Stations, pipelines & Storage
 - Network operations, including communication stations
 - Car Parking Spaces
 - Financial Services (e.g. bank)
 - Estate & Letting Agents
 - Professional Services (e.g. solicitor)
 - Medical Services (e.g. vets, dentist)
 - Advertising Rights
 - Public Services
 - Schools & Colleges
 - Mail & parcel delivery businesses
 - Pharmaceutical Companies
 - Utility Businesses
 - Or other businesses that do not meet the spirit of this scheme.
- 2.7 The government funding made available for this scheme is available to reduce chargeable amounts in respect of 2021/22 business rates only.
- 2.8 The main purpose of this scheme is to assist ratepayers in the eligible business uses who have suffered a severe financial loss as a result of Covid 19 pandemic who have not received and are not eligible for –a reduction in their 2021/22 business rate bill from the Expanded Retail Discount or Nursery Discount.
- 2.9 Companies that are in administration, are insolvent or where a striking-off notice has been made are not eligible for a discount under this scheme.
- 2.10 The business property must be shown in the local rating list supplied to the Council by the Valuation Office for Elmbridge with its own rateable value as at 21 December 2021. If properties are subsequently brought into the rating list and backdated to a date before 21 December 2021 they will not be eligible. The property must be occupied for any period that the discount is claimed.
- 2.11 Business ratepayers who became liable for the 2021/22 business rates after 21 December 2021 will not be eligible for this discount. Where we have reason to believe that the information held about the ratepayer is inaccurate at the 21 December 2021, we may withhold or recover the grant and take reasonable steps to identify the correct ratepayer.
- 2.12 Businesses will need to have been adversely affected by the pandemic and have been unable to adequately adapt to that impact. The business must have been adversely affected financially and be able to evidence such on request.
- 2.13 An application can be submitted by the ratepayer, or an agent authorised to act on their behalf. All applications for a discount under this scheme must be received by 15 March 2022. The 2021/22 rate bills will be amended subject to
- 

receiving all of the required information by the 15 March, on or after the 16 March 2022..

- 2.14 Section 47 of the Local Government Finance Act 1988 states any decision to award must be made before six months after the end of the financial year in which the award days falls. Therefore, no new decision to award relief can be made after the 30 September 2022.
- 2.15 If the business is awarded a change in rateable value at any time but, in particular after 30 September any relief resulting in a discount decision made under this scheme will be adjusted accordingly, subject to the properties continuing eligibility and available funding.

3. Awards of Relief (Discount)

- 3.1 Unlike other government Covid support schemes this scheme is a discount against the business property demand (bill) for the 2021/22 Business Rates payable, it is not a cash payment of a grant. However, it may be the case that as a result of awarding the discount a business may be entitled to a refund on any payments it has made against its 2021/22 business rates, any refund will be processed after the award of the discount, and will be paid by the end of March 2022.
 - 3.2 The submitted application form will be used for validation purposes. Only the first submitted application will be accepted.
 - 3.3 The Council will write to those businesses who may be eligible based on the SCAT property description held by the Valuation Office Agency, HMRC by the 31 January 2022.
 - 3.4 The discount will be awarded for the period April 2021 to March 2022 only. There will be no award for any other financial year under this scheme.
 - 3.5 Ratepayers that occupy more than one property in Elmbridge will be entitled to a discount for each of their eligible properties, up to a combined rateable value maximum of £499,999.
 - 3.6 The discount is likely to be 75% of the 2021/22 rate bill for the chargeable period. Depending on the funding available the Council reserves the right to alter the scheme, eligibility and the amount of the discount. A final decision will be made by 19 March 2022 on the percentage discount. We will notify you by email of the percentage discount awarded.
 - 3.7 For the avoidance of doubt the maximum discount that will be awarded will not exceed the total chargeable amount for 2021/22 after the application of any other discounts or reliefs for which the business may be entitled.
- 

3.8 Applications will only be accepted in electronic format using the web link provided in the letter, applications must be received 15 March 2022.

4. Fraud

4.1 By accepting this relief, the business confirms that they are eligible for the discount scheme, including that the discount will be in compliance with subsidy rules. The Council and the government will not accept deliberate manipulation and fraud - and any business caught falsifying their records to gain the discount will face prosecution and any discount issued will be subject to claw back, as may any discounts paid in error.

4.2 The Council will use all available tools to identify potential fraud before and after the discount award. By submitting an application you are consenting for the Council to share the data on the application form for the purposes of validating the claim with any appropriate organisations, including the Department for Business, Energy & Industrial Strategy who may contact you for research and evaluation purposes. If you do not consent to the sharing of the information the claim will be deemed invalid.

5. Funding

5.1 The government are only providing limited funding to the scheme, and the scheme has been prepared on the basis it will allocate 100% of the funding available (£3.8 million) to the businesses in Elmbridge.

5.2 The Council reserves the right to close the scheme without notice or based on a change in government instructions and/or guidelines in relation to this relief.

5.3 The nature of these businesses means that Elmbridge are uncertain about the number of business who would be eligible for these discounts. However, if the number of successful applications exceeds the available funding the Council reserves the right to amend, suspend or close the scheme immediately. For the avoidance of doubt this scheme will be a first come first served scheme until the available funding is utilised or 15 March 2022.

5.4 We reserve the right to consider partially completed applications as invalid, or applications which do not clearly provide the information required as invalid.

5.5 The Council reserves the right to reject an application if it does not meet the spirit of the governments discount scheme, or the criteria detailed in this scheme.



6. Delegated Authority to Award Relief

Delegated to Head of Finance or any officer delegated by the Head of Finance, with appeals to Section 151 Officer, Strategic Director and Deputy Chief Executive.

7. Appeals Process

- 7.1 There is no statutory right of appeal against a decision regarding discretionary rate relief unless the decision is so unreasonable that no reasonable person could have reached it ('Wednesbury Rules').

However, the Council recognises that ratepayers should be entitled to have a discretionary decision reviewed if dissatisfied with the outcome. Only the ratepayer or authorised agent may appeal against the decision not to award relief or the level of relief awarded. Appeals must be made within four weeks of the notification of decision.

Appeals must be in writing specifying reasons why a decision should be amended and supported by relevant new or additional evidence.

An appeal will be deemed to be discontinued if further evidence requested from the ratepayer has not been received within four weeks of the request.

Appeals against decisions made under delegated authority by the Head of Finance will be considered by the Section 151 Officer, Strategic Director and Deputy Chief Executive.

8. Subsidy (previously State Aid)

- 8.1 The EU State Aid rules no longer apply to subsidies in the UK following the end of the transition period. This does not impact the limited circumstances in which State aid rules still apply under the Withdrawal Agreement. On 4 March 2021 new subsidy allowances were established for the COVID-19 business discounts schemes.

The scheme rules below apply at the level of economic actor, which is defined as an entity or a group of entities constituting a single economic entity regardless of its legal status, that is engaged in an economic activity by offering goods or services on a market.

It is the responsibility of businesses to declare their subsidy eligibility position, and they may wish to seek appropriate advice before making any declaration.



There are three subsidy allowances for this scheme set out below:

1) Small Amounts of Financial Assistance Allowance

This allowance is 325,000 Special Drawing Rights, to a single economic actor over any period of three fiscal years, which is the equivalent of £335,000 as at 2 March 2021. An applicant may elect not to receive discounts under the Small Amounts of Financial Assistance Allowance and instead receive discounts only using the below allowances available under this scheme.

2) COVID-19 Business Discount Allowance

Where the Small Amounts of Financial Assistance Allowance has been reached, discounts may be paid under the COVID-19 Business Discount Allowance (subsidies discounted on a temporary basis to respond to a national or global economic emergency). For the purposes of these scheme rules, this allowance is £1,900,000 per single economic actor. This allowance includes any discounts previously received under the COVID-19 business discount schemes and any State aid previously received under the European Commission's Temporary Framework across any other UK scheme. This may be combined with the Small Amounts of Financial Assistance Allowance to equal £2,243,000 (subject to the exact amount applicable under the Small Amounts of Financial Assistance Allowance using the Special Drawing Right calculator).

3) COVID-19 Business Discount Special Allowance

Where an applicant has reached its limit under the Small Amounts of Financial Assistance Allowance and COVID-19 Business Discount Allowance, it may be able to access a further allowance of funding under these scheme rules of up to £10,000,000 per single economic actor, provided the conditions below are met. The business must declare that they meet all the conditions below and supply accounting evidence to satisfy conditions a & b:

- a. The Special Allowance covers only the applicant's uncovered fixed costs incurred during the period between 1 March 2020 and 31 March 2022, including such costs incurred in any part of that period ('eligible period');
 - b. Applicants must demonstrate a decline in turnover during the eligible period of at least 30% compared to the same period in 2019. The calculation of losses will be based on audited accounts or official statutory accounts filed at Companies House, or approved accounts submitted to HMRC which includes information on the applicant's profit and loss.
 - c. Uncovered fixed costs' means fixed costs not otherwise covered by profit, insurance or other subsidies.
 - d. The total subsidy under this allowance must not exceed 70% of the applicant's uncovered fixed costs, except for micro and small enterprises (for the purposes of this scheme defined as less than 50 employees and less than £10,000,000 of annual turnover and/or
- 

annual balance sheet), where the discount payment must not exceed 90% of the uncovered fixed costs;

- e. The total subsidy under this allowance must not exceed £10,000,000 per single economic actor. This allowance includes any discounts previously received in accordance with the European Commission's Temporary Framework; all figures used must be gross, that is, before any deduction of tax or other charge; and
- f. Subsidy provided under this allowance shall not be cumulated with other subsidies for the same costs.

8.2 Subsidy provided in excess of the Small Amounts of Financial Assistance Allowance may not be discounted to applicants that were defined as an 'undertaking in difficulty' on 31 December 2019. In derogation to the above, subsidy can be discounted to micro or small enterprises that were already in difficulty on 31 December 2019 provided that they are not subject to collective insolvency proceedings.

8.3 If the applicant or the Council become aware that the subsidy limit(s) has been exceeded it will be the applicant's responsibility to notify the Council within 14 days of discovering the limit has been exceeded so that the relief can be removed.

8.4 Further information on Subsidy can be found at:
(<https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities>)

