

**Harrow Council**  
**Draft Covid 19 Additional Relief Fund (CARF) Policy**  
**For the Financial Year Commencing 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022**

**Introduction**

- 1.1 On 25 March 2021, the Government announced plans to provide an additional business rates support package, worth £1.5 billion, to support businesses in England affected by COVID-19 but not eligible for existing support linked to business rates. Harrow Council has received £3,172,759 in funding.
- 1.2 The Rating (Coronavirus) and Directors Disqualification (Dissolved Companies) Act 2021 received royal assent which provided the legislation for the introduction of Covid-19 Additional Relief Fund (CARF). The Department for Levelling Up, Housing and Communities (DLUHC) issued guidance for the scheme on the 15<sup>th</sup> December 2021.
- 1.3 As this is a temporary relief fund for 2021/22, the Government is not changing legislation relating to Business Rates relief available to properties. Instead, the Government will, in line with the eligibility criteria, reimburse Local Authorities where relief is granted using discretionary powers under Section 47 of the Local Government Finance Act 1998.
- 1.4 Although the Government have set some national criteria, it recognises that economic need will vary across the country, so wants Local Authorities to exercise their local knowledge and discretion to design a discretionary scheme to operate in its area
- 1.5 Harrow Council has approved the scheme as set out in this policy document.
- 1.6 This policy contains the provisions for the Harrow CARF scheme for compliance with statutory provisions and Government guidance. Subject to these requirements, however, each application shall be considered on its own merits with reference to the CARF policy.

**2. Scope and eligibility**

- 2.1 The Government guidance gives the Council discretion over the relief scheme and Harrow Council decisions regarding the scheme will be final.
- 2.2 To be eligible to apply for relief under this main scheme, a Business Ratepayer must be a ratepayer liable and occupying a hereditament for Business Rates in the Harrow Council area during the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022 (for a period of one day or more) where the hereditaments are rated in the qualifying sector classifications (SIC Codes) as set out in the Valuation Office Agency Local Rating List.
- 2.3 The scheme is open to most business ratepayers. Hereditaments anticipated to be eligible under the scheme will principally be;
  - a. Offices
  - b. Non-retail warehouses
  - c. Other non-retail Industrial premises
  - d. Other premises not listed in section 3 below.

2.4 The Business Ratepayer must also be able to demonstrate that they have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.

### **3. Exclusions**

3.1 The following categories are excluded under the CARF scheme:

- a. Businesses who for the same period of the relief 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. Businesses for periods when their hereditament is unoccupied (other than hereditaments which have become unoccupied temporarily due to the government's advice on COVID-19);
- c. In line with the legal restrictions in section 47(8)(A) of the Local Government Finance Act 1988, billing authorities may not grant the discount to themselves, to a precepting authority, or to a functional body within the meaning of the Greater London Authority Act 1999;
- d. Business Ratepayers that do not occupy a hereditament within the Harrow Council boundary;
- e. Business Ratepayers that are not compliant with Government subsidy limits as defined within Section 7 of this policy;
- f. Business Ratepayers that occupy hereditaments that are not listed in the Local Rating List;
- g. Business Ratepayers receiving 100% Small Business Rates Relief or 80% Mandatory Rate Relief with 20% "top-up", funded through the Business Rates Retention Scheme.
- h. Also excluded under the terms of this policy are hereditaments described in the rating list as car parking spaces, telecommunication masts, advertising rights, show homes and land under development.
- i. Businesses in liquidation, dissolved, struck off or subject to a striking off notice at the date of award shall not be eligible under this policy.

### **4. Evidence Required**

4.1 To be considered for this relief, businesses shall be required to provide a statement and any supporting evidence demonstrating how it has been adversely affected by the pandemic and been unable to adapt adequately to the impact.

4.2 If satisfactory evidence is not provided, the application may not be further considered.

### **5. Application Process**

- 5.1 Consideration for the scheme will be via application form only. An application must be received for each hereditament.
- 5.2 Business Rates must continue to be paid as previously notified, until a revised bill is issued for any relief given under the CARF scheme.
- 5.3 Applications shall be accepted from Business Ratepayers or their nominated representative only.

## **6. Amount of Relief**

- 6.1 The amount of relief awarded will be a minimum of 10% of the 2021/22 business rates charge or part charge (if the claimant became liable for business rates part year) after all other eligible reliefs have been considered / applied in the manner set out in Section 6.2 of this policy. This percentage award may be increased for all successful eligible applicants subject to the number and value of applications received and awarded. However, the maximum award will not exceed 50% of the net liability as previously described and set out in section 6.2 below. The award will be a one off award but may be adjusted for changes in circumstances.
- 6.2 Any award of relief in accordance with this policy shall be applied after mandatory rate reliefs and other discretionary rate reliefs funded by section 31 grants have been applied, excluding those where Harrow Council has provided relief using its wider discretionary relief powers introduced by the Localism Act 2011 which are not funded by section 31 grants.
- 6.3 All awards of relief will be by a credit against the Business Rates bill. No cash or BACS payments for any amount awarded shall be made. If a business has paid its Business Rates and subsequently has a credit on its account due to the awarding of relief under this policy, the credit will in the first instance be allocated to the 2022/23 Business Rates or any arrears liability. If there are no arrears it may be refunded if an application for that purpose is received.

## **7. Subsidy control**

- 7.1 There is a requirement for all relief given under this policy to be compliant with Subsidy Allowance guidelines. Government guidance concerning how this applies to the CARF scheme can be accessed at [Complying with the UK's international obligations on subsidy control: guidance for public authorities - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/complying-with-the-uk-s-international-obligations-on-subsidy-control)
- 7.2 The terms of this policy shall comply with Government guidance for Subsidy Control, as set out within Section 7.1 above.

## **8. Duration of awards**

- 8.1 Entitlement to relief under this policy shall be for a fixed period starting on 1st April 2021 and ending on 31<sup>st</sup> March 2022 subject to compliance with the qualifying criteria set out in this policy and determination of the decision being made by 30<sup>th</sup> September 2022.
- 8.2 Therefore, for clarity, any determinations under this policy will apply only to the period 1/4/2021 to 31/3/2022 and will not continue for further financial years.

8.3 Where a Business Ratepayer ceases to be eligible under the terms of this CARF policy, any relief given shall cease with effect from the date that the qualifying conditions cease to be met.

## **9. Managing the risk of Fraud**

9.1 Neither the Council, nor the Government shall accept deliberate manipulation of the scheme of fraud. Any business applicant falsifying information to gain relief, will face prosecution and any funding will be recovered from them.

9.2 All information regarding the application of this policy shall be subject to internal and external audit checks as well as Government checks.

9.3 It shall be a duty of the Business Rate payer or their representative (nominated) applying for the CARF scheme to declare eligibility to the scheme and to report any change of circumstances that may affect their entitlement to the relief.

## **10. Data Protection and use of data**

10.1 All information and data provided by application shall be dealt with in accordance with the Council's Data Protection policy and Privacy Notices which are available to view on the Harrow Council website at [www.harrow.gov.uk/privacy](http://www.harrow.gov.uk/privacy)

## **11. Right of appeal**

11.1 There is no statutory right of appeal against a decision made by the Council in respect of discretionary retail discount. However, the Council will review the decision if a Business Ratepayer is dissatisfied with the outcome and a request is received in writing (including email) within 28 days of notification of the decision. Consideration may be given to an extension of that timescale where reasonable and extenuating circumstances apply, subject at all times to the 30th September 2022 "cut-off" date referred to in this policy. This review will be carried out by the Head of Service (Collection and Benefits) and the Portfolio Holder for Finance.

11.2 If an unsuccessful applicant requests a review, they shall still be required to continue to pay their rates bill as previously notified. Once the review has been conducted, the ratepayer will be informed in writing whether the original decision has been revised or upheld. Notification of the decision will be made within 28 days, or as soon as reasonably practicable.

11.3 The right of appeal process does not affect a ratepayer's legal right to challenge the decision by way of judicial review.

**June 2022**