

# **SOUTHAMPTON CITY COUNCIL'S POLICY**

## **COVID19 ADDITIONAL RELIEF FUND (CARF)**

### **STAGE TWO**

#### **Introduction**

1. This guidance is intended for businesses applying to Southampton City Council local authority for the COVID19 Additional Relief Fund (CARF), announced by the government on 15 December 2021.
2. Only businesses liable for business rates in 2021-22 are eligible to apply for the Fund and any relief must be applied by the 30 September 2022.
3. Southampton City Council have access to funds from the government (please see [CARF Final Allocations.ods \(live.com\)](#)), which has replaced the legal right to appeal to the Valuation Office Agency on Material Change of Circumstances grounds due to COVID.
4. Relief allocations to successful applicants may be limited to a certain percentage depending on the scheme's subscription.
5. This guidance sets out the criteria under which businesses will qualify to make an application to the COVID19 Additional Relief Fund (CARF), and the evidence required to support an application, and is aligned with the government guidance issued on 15 December 2021 and any revisions, which can be found via this link:- [CARF Guidance \(publishing.service.gov.uk\)](#)
6. The government want Local Authorities to exercise their local knowledge and discretion and recognise that economic need will vary across the country, so the government are setting some national criteria for the relief but allowing Local Authorities to determine which relief application cases to support within these criteria.

#### **Which types of business should the COVID19 Additional Relief Fund prioritise?**

7. The government guidance issued on 15 December 2021 gives the Council discretion over the COVID Additional Relief Fund, and the decision on the awarding of relief as part of the Fund will be final.

## **Scope and Eligibility**

8. Billing authorities will be responsible for designing the discretionary relief schemes that are to operate in their areas. However, in developing and implementing their schemes local authorities:
  - a. 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),
  - b. must not award relief to a hereditament for a period when it is unoccupied (other than hereditaments which have become unoccupied temporarily due to the government's advice on COVID-19), and
  - c. should direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.
  - d. The qualifying business will be assumed had a loss income of 20% or more in 2020-21.
9. 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, to a precepting authority, or to a functional body within the meaning of the Greater London Authority Act 1999.
10. To be eligible for relief you must be the current liable ratepayer and occupying a property on the local rating list in Southampton City Council during the financial year 2021-22.

## **Requirement for Discretionary Grant Fund payment (Stage Two )**

11. A letter will be issued to all potential businesses with clear guidelines and option to opt out if they do not want this support. This could be due to reaching state aid limits.
12. The potential eligible businesses will receive a letter in week commencing 08 August 2022, with the closing date for opting out by 02 September 2022.

## **Subsidy Allowance**

13. There is a requirement for all reliefs made under this Discretionary Grants fund to be subsidy allowance compliant. Please see further government guidance on this via this link (Section 19-29): [CARF Guidance \(publishing.service.gov.uk\)](#)

## **Funding Provided so far under the scheme**

14. From 31 January 2022 until 21 March 2022 an application process was operated to allow eligible businesses to apply via an application form.
15. There are still unallocated funds, and this policy is designed to distribute the remaining funds to eligible businesses directly by awarding a discount/credit onto the business rates account for the 2021-22 financial year.

## **How relief will be provided**

16. Southampton City Council will be using data already available identify potential eligible businesses, and using this data allocate the value available direct onto business rates account
17. All businesses identified as eligible will be contacted and given the option of not accepting the funding due to having already reached their subsidy limits.
18. Southampton City Council will endeavour, subject to due diligence checks, to make awards as quickly as possible to support successful business applicants, who are struggling financially.
19. The award will be made based on outstanding funding after stage one process was completed and equally dispersed to remaining eligible businesses on percentage basis.

## **The COVID19 Additional Relief Panel**

20. These guidelines have been approved by Southampton City Council
21. Individual relief decisions will be made on a delegated basis by officers based on the approved guidelines.

22. The decision of a senior officer will be final. There is no formal right to appeal.
23. All decisions will be communicated by email or in the form of an amended business rates bill.

### **Award of Relief**

24. All awards of this relief for stage two will be by a reduction against the business rates bill for 2021-22.
25. The award will be based on remaining funding matched against eligible businesses (excluding businesses that opted out), with Southampton City Council retaining £50,000 of funding to support any eligible business that applies outside this stage two process.
26. No cash payments will be made.
27. If a business has already paid its business rates in full for 2021-22, any credit will be offset against any prior year's arrears, or any other business rates arrears owed by the business. If account remains in credit after any offset applied, a refund will be issued.
28. All relief awarded will end on the 31 March 2022.

### **Managing the risk of fraud**

29. Southampton City Council will not accept deliberate manipulation and fraud - and any business caught falsifying their records to gain relief awarded may face prosecution and any relief awarded will be removed, as will any relief that is awarded in error.
30. All information is subject to internal and external audit check, as well as Government body check.

### **Sharing Information**

31. By applying for a COVID19 additional relief all applicants give authority to Southampton City Council to share data for efficient system administration and to protect the Public Purse, subject to the GDPR.
32. The Councils will be required to share data with Government

Departments for monitoring and other reasons. By accepting COVID19 additional relief recipients give authority for this.

33. Data will be shared with Department for Levelling Up, Housing & Communities at Parliamentary constituency level and local authority level, and by the Special Category code of the hereditament.

### **Other Information**

34. The Councils do 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.