

# **WEST SUSSEX COUNCILS' GUIDELINES**

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

### **GUIDELINES**

#### **Introduction**

1. This guidance is intended to businesses liable for business rates in 2021/22 only applying to certain West Sussex local authority Boroughs and Districts for a grant from the COVID19 Additional Relief Fund (CARF), announced by the government on the 15<sup>th</sup> December 2021. Only businesses occupied and liable for business rates on the 1<sup>st</sup> April 2021 in 2021/22 are eligible to apply for the Fund and any relief must be applied for by the 30<sup>th</sup> September 2022.
2. West Sussex Boroughs and Districts 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. It is expected therefore that most relief allocations to successful applicants will be limited to a certain percentage, which means that businesses who do qualify will still have some business rates to pay. In the event applications exceed the available funding local authorities have to award to businesses, individual local authorities will make decisions as to how to support businesses as reasonably as possible within the funding at their disposal.
3. The West Sussex local authority Boroughs and Districts utilising these guidelines are:
  - Arun District Council
  - Chichester District Council
  - Crawley Borough Council
  - Mid Sussex District Council
4. 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<sup>th</sup> December 2021 and any revisions, which can be found via [this link](#).
5. The Government wants 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 this stated criteria.

6. The Government suggests that Local Authorities may wish to consider collaborating as they design their relief schemes to ensure there is consistency where they are working across a functional economic area. Five of the seven Council's in West Sussex, listed above, have agreed and approved these guidelines, although it is up to each individual Local Authority which amounts of relief are given and whom to they award relief to.

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

7. The government guidance issued on 15<sup>th</sup> 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.

### **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 (eg for the period from the 1<sup>st</sup> April 2021 to the 31<sup>st</sup> March 2022) 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 (in a way that prevents success or development; harmfully or unfavourably) and have been unable to adequately adapt to that impact.
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 or to a precepting authority (eg Town Council, Parish).
10. Telephone masts, Car Park Spaces (apart from Airport Parking) and advertising rights within West Sussex will be ineligible for this relief.
11. To be eligible for relief you must be a ratepayer liable and occupying the property for business rates in West Sussex during the financial year 2021/22 (for a period of a day or more) as at the 1<sup>st</sup> April 2021.

12. If there is no business rates liability or other business rates relief (other than transitional relief or small business rates relief with a rateable value greater than £12k) already granted to the business during the relief period, the business will not be eligible for this relief.
13. Please note individual Local Authorities within West Sussex may apply additional mechanisms to determine local need within their own Local Authority.

### **Evidence Required for Discretionary Grant Fund application**

14. In order for an application to be considered, we require businesses to demonstrate that they meet the eligibility criteria stated above. The more meaningful the evidence, the more compelling the relief application will be. We anticipate that to do this, applicants will need to provide:
  - Evidence to demonstrate a substantial loss in income as a result of the COVID-19 crisis. This is likely to be in the form of accounts/bank statements/management accounts for previous years and management accounts / bank statements for the current period.
  - Confirmation that the business has not received any relief or discount under the relief schemes mentioned in sections 8 to 12 above.
  - Confirmation of Subsidy Allowance compliance.
15. If a business is in a sector that has not been allowed to open / trade during the COVID19 crisis or if a business provides services that are not permitted due to social distancing rules, and have not been able to move to online services, the level of income lost will be more significant to that of business still able to operate but at a reduced level. This will be taken into account by the Local Authority in deciding whether any relief is awarded and actual amount of any such relief to be granted.

### **Subsidy Allowance**

16. There is a requirement for all grants made under this Discretionary Grants fund to be subsidy allowance compliant. Please see further government guidance on this via [this link](#) (Section 19-29).

### **How relief will be provided**

17. Local Authorities will be responsible for evaluating COVID19 Additional Relief Fund (CARF) applications, selecting the successful business applicants and then administering and delivering relief to those successful applicants.
18. Local Authorities responsible for making relief awards of COVID19 Additional Relief Fund (CARF) to successful business applicants will be those authorities who are business rate billing authorities in England.

19. Local Authorities will endeavour, subject to due diligence checks, to make awards as quickly as possible to support successful business applicants, who are struggling financially.

### **How much funding will be provided to successful businesses**

20. The West Sussex Councils have access to limited funds from the government for this scheme and it is expected therefore that most relief awards will be up to 30 per cent.
21. In order for the COVID19 Additional Relief Fund (CARF) to benefit the maximum number of businesses, it is proposed to have 4 levels of relief payments, directly to be proportionate to the relative impact on income due to the COVID19 crisis. In exceptional circumstances at the discretion of the individual Local Authority a payment of up to £20,000 may be made.
22. The grant levels and eligibility criteria are presented in the table below:-

<b>Category</b>	<b>Maximum Relief Award (Percentage) based on their net rate liability based on local demand</b>	<b>Criteria</b>
Income receipt losses of up to 10 per cent due to COVID19	10%	Based on reduction of net profit/bank statements for current year (2021/22) as opposed to 2019/20.
Income receipt losses of up to 30 per cent due to COVID19	20%	Based on reduction of net profit/bank statements for current year (2021/22) as opposed to 2019/20.
Income receipt losses of up to 50 per cent due to COVID19	25%	Based on reduction of net profit/bank statements for current year (2021/22) as opposed to 2019/20.
Income receipt losses of over 50 per cent due to COVID19	30%, up to a maximum of £10,000	Based on reduction of net profit/bank statements for current year (2021/22) as opposed to 2019/20.  For exceptional circumstances it will be at the discretion of the individual Local Authority in addition (see paragraph 27 of this guidance).
Exceptional Circumstances (at the discretion of the individual Local Authority)	Up to a maximum of £20,000	

23. The reduction in net profit/reduction in bank balance losses will be based as highlighted in the table above for this current year (2021/22) as opposed to the equivalent period in 2019/20.
24. If no accounts are available for any of the periods required, please provide consecutive bank statements and other documents such as invoices. The Local Authority may come back to you for additional information.
25. The table highlights the maximum relief awards payable as a percentage of their net rate liability based on local demand. If the relief fund is oversubscribed with the applications received, the individual Local Authority reserves the right to amend the relief levels on a pro-rata basis, based on the applications received and approved, as a way of dealing with this situation, should it arise.

26. Local Authorities have discretion to make relief awards of any amount. It will be for Local Authorities to adapt this approach to local circumstances, such as providing support for businesses that are crucial for their local economies.
27. In taking decisions on the appropriate level of grant particularly in exceptional circumstances, Local Authorities may also want to take into account the number of employees and the scale and risk of potential job losses, whether businesses have had to close completely, whether you had staff placed in furlough and are unable to trade online, the consequent scale of impact of COVID19 losses including the broader impact of the business on local economic activity.
28. The level of funding for these discretionary reliefs will be decided by the individual Local Authority within the above guidelines. There is no formal right of appeal, but an independent officer will review the decision if additional information is provided. The only further review will be by legal challenge.

### **The Application Process**

29. All Local Authorities in West Sussex will manage their own application process. For more details please consult the web site of the relevant local authority.
30. Local Authority application forms for the relief will be available online. No paper copies will be available. This electronic form including the declaration must be fully completed with all the required evidence to be considered for a grant.
31. This application process will allow Local Authorities to evaluate the applications, undertake pre-award checks to confirm eligibility and to allow each Local Authority to determine how to use its discretion in selecting successful applicants and determining the appropriate level of grant.
32. The applicants will need to state when applying online that by accepting the relief payment, the business confirms that they are eligible for the relief scheme, including that any relief accepted will be fully in compliance with Subsidy Allowance requirements.
33. The individual Local Authority reserves the right to cancel any award of this relief fund if subsequent information comes to light.

### **The Application Process - deadlines**

34. There will be a closing date of midnight on Sunday 30<sup>th</sup> January 2022 across the West Sussex Local Authorities adopting these guidelines for businesses to apply for this additional relief funding.
35. If further funding is provided by the Government or funding is unspent there will be further application rounds. Businesses that received relief funding previously in a previous round will be ineligible from any further relief application, unless it is for a different financial year.

36. We are expecting this round of relief funding to be oversubscribed so it is important all businesses applying give as much information as possible and ensure they meet the criteria.
37. There is a set limited budget provided by the Government for this relief scheme. Once the fund has been fully utilised the CARF relief scheme will end unless further funding is provided by the Government.
38. As a condition of relief being awarded, we will expect the business applying to sign a declaration stating that they are not committing any fraud and that they are fully complying with any subsidy allowance limits, as well as giving the Local Authority permission to share data to check such compliance and that these guidelines are complied with.
39. As well as meeting the criteria it is the intention for the discretionary relief to support local businesses whose intention it is to continue to trade and do business in the local area after COVID19.

### **The COVID19 Additional Relief Panel**

40. These guidelines have been approved by the named West Sussex Borough and District Chief Executives and where applicable elected Members.
41. Individual relief decisions will be made on a delegated basis by designated senior officers based on the approved guidelines. The relief will be awarded as a credit against a business rates bill.
42. The decision of the senior officers will be final. There is no right to appeal.
43. All decisions will be communicated by email or an amended business rates bill to businesses, with relief awards if approved made quickly, subject to due diligence checks. A remittance notice will accompany any grant payment.
44. Any business not awarded a COVID19 additional funds relief who meets the eligibility criteria can apply in any future round, should there be any.

### **Award of Relief**

45. All awards of this relief will be by a credit against the business rates bill. No cash payments will be made.
46. If a business has already paid its business rates in full for 2021/22 a refund will be offered to that business. Should the business request this this refund could be used as a part payment against the 2022/23 business rates.
47. If any court or enforcement costs have been incurred during 2021/22 by a business that will qualify for this relief it will be entirely at the discretion of the Local Authority whether these are cancelled or not.

## **Managing the risk of fraud**

48. All Local Authorities administering the relief in West Sussex will not accept deliberate manipulation and fraud - and any business caught falsifying their records to gain relief awarded will face prosecution and any relief awarded will be subject to claw back, as may any relief awarded in error.
49. All information is subject to internal and external audit check, as well as Government body check.

## **Sharing Information**

50. By applying for a COVID19 additional relief all applicants give authority to administering Local Authorities to share data for efficient system administration and to protect the Public Purse, subject to the GDPR. This will include sharing data with West Sussex and other Local Authorities.
51. The Councils will be required to share data with Government Departments for monitoring and other reasons. By applying for a COVID19 additional relief all applicants give authority for this.

## **Other Information**

52. 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.