

# Public Document Pack

## Executive Member Decisions

Friday, 4th June, 2021

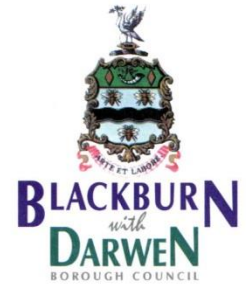
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### AGENDA

1. **Expanded Retail Discount**
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  - EMD - Expanded Retail Discount Appendix A**
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Date Published: 4<sup>th</sup> June 2021  
Denise Park, Chief Executive

## Executive Member Decision



**REPORT OF:** Executive Member for Finance and Governance

**LEAD OFFICERS:** Chief Executive

**DATE:** Friday, 19 March 2021

**PORTFOLIO(S) AFFECTED:** Finance and Governance

**WARD/S AFFECTED:** (All Wards);

### **SUBJECT:**

Expanded Retail Discount 2021/22

### **1. EXECUTIVE SUMMARY**

#### **Business Rates Expanded Retail discount 2021/22**

Since 2019/20 the government has provided a Business Rates Retail Discount for retail properties. This was extended in 2020/21 to include the leisure and hospitality sectors.

On the 3<sup>rd</sup> March 2021 the government confirmed that the Expanded Retail Discount would continue to apply in the 2021/22 financial year.

This report updates the policy in line with the Government guidelines.

### **2. RECOMMENDATIONS**

That the Executive Member approves the Expanded Retail discount policy for 2021/22.

### **3. BACKGROUND**

In 2020/21 the government extended the retail discount to include the leisure and hospitality sectors. Due to the effects of the pandemic on a number of business sectors, the discount has been rolled forward to the new financial year.

To ensure that the changes can be implemented quickly the Government is not changing the legislation governing reliefs available to properties. Instead the Government will, in line with the eligibility criteria set out in its guidance, reimburse local authorities that use their discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended) to grant relief.

The Government has stated that it will be for individual local Billing Authorities to adopt a local scheme and determine in each individual case when, having regard to this guidance, to grant relief under section 47. There will be no financial impact on the council as all awards will be funded by the government through the section 31 grant.

### **4. KEY ISSUES & RISKS**

#### **4.1 Expanded Retail Discount 2021/22**

Properties that will benefit from the discount are ones that are occupied and wholly or mainly being used:

- As shops, restaurants, cafes, drinking establishments, cinemas and live music venues;

- For assembly and leisure;
- Hotels, guest and boarding premises and self-catering accommodation;
- Nurseries (Ofsted Early Years Register), and;
- Estate agents, letting agencies and bingo halls

The total amount of funding available for each property for 2021/22 under this scheme is 100% for three months, from 1<sup>st</sup> April 2021 to 30<sup>th</sup> June 2021, and at 66% for the remaining period, from 1<sup>st</sup> July 2021 to 31<sup>st</sup> March 2022.

The Government confirmed that there would be no cash cap on the relief received for the period from 1<sup>st</sup> April 2021 to 30<sup>th</sup> June 2021. However, From 1<sup>st</sup> July 2021, relief will be capped at £105,000 per business, or £2 million per business where the business is in occupation of a property that was required, or would have been required, to close, based on the law and guidance applicable on 5<sup>th</sup> January 2021.

The full policy is attached as Appendix A.

## **5. POLICY IMPLICATIONS**

The proposed Expanded Retail discount policy is detailed in full in Appendix A.

Do to the lateness of the announcement by the government, the annual billing process for businesses in the borough had already been completed. Bills will therefore be issued without the discount being applied. A covering letter with the bills has explained the situation and the reason why the discount is not on qualifying accounts.

As soon as practicable after the annual bills have been issued, the discount will be applied to eligible accounts and new bills issued. A further rebilling process will also be required once the 100% discount is reduced to 66% from 1<sup>st</sup> July 2021.

## **6. FINANCIAL IMPLICATIONS**

The discounts outlined in this report will be fully funded by the Government through the section 31 grant.

The government has also announced that additional burdens monies will be made available to councils for the costs associated with this work.

## **7. LEGAL IMPLICATIONS**

The schemes will be administered through the Council's discretionary relief powers under Section 47 of the Local Government Act 1988 (as amended).

To ensure that the relief awarded for the initial three months meets the requirement of section 47 to give 12 months' notice (which can only take effect from 31<sup>st</sup> March of a financial year) a letter will be issued to ratepayers providing notification of the award of the extended relief to all affected ratepayers. This notification will highlight that the 100% relief only applies for the first three months of the financial year and that a further decision will be made in respect of the period 1<sup>st</sup> July to 31<sup>st</sup> March.

The policies provide transparency and show the criteria that the Council will apply when making their decisions as to whether or not to grant the discounts. The Council must, however, consider applications which may fall outside the policies and should not be fettered in its decision making by the terms of the policy. The council is, however, bound by the guidance set out by the Government as to when discounts can be made.

## 8. RESOURCE IMPLICATIONS

Any additional work required from the changes listed in the policy documents will be undertaken within existing resources.

## 9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below.

Option 1  Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2  In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision.

## 10. CONSULTATIONS

None.

## 11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

## 12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded in the Summary of Decisions published.

<b>CONTACT OFFICER:</b>	Andy Ormerod, , andy.ormerod@blackburn.gov.uk
<b>DATE:</b>	10 <sup>th</sup> March 2021
<b>BACKGROUND PAPER:</b>	Appendix A – Expanded Retail discount policy 2021/22



# **Business Rates – Expanded Retail Discount Policy**

**(2021/22)**

**Appendix A**

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## **1. Expanded Retail Discount**

### **1.1 Background**

This policy sets out the council's criteria for eligibility for the Expanded Retail Discount. This policy has taken into account the Government guidance issued following the budget in March and further guidance provided in response to the coronavirus pandemic.

This local discount is awarded under Section 47 of the Local Government Finance Act 1988. All awards made by the council will be funded by the government through the section 31 grant.

### **1.2 Qualifying properties**

Properties that will benefit from the discount will be occupied properties that are wholly or mainly being used:

- a. As shops, restaurants, cafes, drinking establishments, cinemas and live music venues;
- b. For assembly and leisure;
- c. As hotels, guest and boarding premises and self-catering accommodation;
- d. Nurseries (Ofsted Early Years Register), and;
- e. Estate agents, lettings agencies and bingo halls

#### **1.2.1 Definition of shops, restaurants, cafes and drinking establishments:**

**(i) *Properties that are being used for the sale of goods to visiting members of the public, for example:***

- Shops (such as florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc);
- Charity shops;
- Opticians;
- Post offices;
- Furnished shops/display rooms (such as: carpet shops, double glazing, etc);
- Car/caravan show rooms;
- Second hand car lots;
- Markets;
- Petrol stations;
- Building yards;
- Retail warehouses;
- Garden centres, and;
- Art galleries (where art is for sale/hire).

**(ii) *Properties that are being used for the provision of the following services to visiting members of the public, for example:***

- Hair and beauty services;
- Shoe repairs/key cutting;

- Travel agents;
- Ticket offices e.g. for theatre;
- Dry cleaners;
- Launderettes;
- PC/TV/domestic appliances repair;
- Funeral directors;
- Photo processing;
- Employment agencies;
- Estate agents and letting agents;
- Betting shops;
- DVD/video rentals;
- Tool hire;
- Car hire

**(iii) Properties that are being used for the sale of food and/or drink to visiting members of the public, for example:**

- Restaurants;
- Takeaways;
- Sandwich shops;
- Coffee shops;
- Pubs;
- Bars

**(iv) Properties which are used as cinemas**

**(v) Properties which are used as live music venues**

- Live music venues are properties that are wholly or mainly used for the performance of live music for the purpose of entertaining a live audience. Properties wholly or mainly used as Nightclubs or theatres are not considered to be live music venues.

## **1.2.2 Definition of assembly and leisure**

**(i) Properties that are being used for the provision of sport, leisure and facilities to visiting members of the public (including for the viewing of such events)**

- Sports grounds and clubs;
- Museums and art galleries;
- Nightclubs;
- Sport and leisure facilities;
- Stately homes and historic houses;
- Theatres;
- Tourist attractions;
- Gyms;
- Wellness centres, spas, massage parlours;
- Casinos, gambling clubs and bingo halls



**(ii) Properties that are being used for the assembly of visiting members of the public**

- Public halls;
- Clubhouses, clubs and institutions
- Conference facilities

**1.2.3 Properties considered to be hotels, guest and boarding premises and self-catering accommodation**

**(i) Properties where the non-domestic part is being used for the provision of living accommodation as a business**

- Hotels, Guest and Boarding Houses;
- Holiday homes; and,
- Caravan parks and sites

**1.2.4** To qualify for the relief the property should be wholly or mainly being used for the above qualifying purposes. In a similar way to other reliefs, this is a test on use rather than occupation. Properties which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

Properties that have closed temporarily due to the government's advice on COVID19 should be treated as occupied for the purposes of the relief.

The above lists are not exhaustive and merely a guide to the properties who may qualify retail discount.

**1.3 Non-qualifying properties**

Properties that will not benefit from retail discount will include:

**(i) Properties that are being used for the provision of the following services to visiting members of the public, for example:**

- Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, short-term loan providers);
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors);
- Professional services (e.g. solicitors, accountants, insurance agents/financial advisors), and;
- Post office sorting offices.

**(ii) Properties that are not reasonably accessible to visiting members of the public:**

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.

#### **1.4 Special Circumstances**

The Council will reserve the right to award or decline applications for the discount when faced with exceptional cases.

#### **1.5 Amount of discount awarded**

The total amount of government-funded relief available for each property for 2021/22 under this scheme is 100% of the bill from 1<sup>st</sup> April 2021 to 30<sup>th</sup> June 2021, after mandatory reliefs and, other discretionary reliefs funded by section 31 grants have been applied.

From 1 July 2021 to 31 March 2022, the Expanded Retail Discount would apply at 66% relief for eligible properties in the scheme, with a cash cap of £2m for businesses that were required to close as at 5 January 2021, and up to £105,000 for business permitted to open at that date

The eligibility for the discount and the discount itself will be assessed and calculated on a daily basis. The following formula should be used to determine the amount of discount to be granted for a chargeable day for a particular property in the financial year 2020/21.

Amount of discount to be granted =  $v$ , where  $v$  is the daily charge for the property after the application of any mandatory relief and any other discretionary relief (excluding those where local authorities have used their discretionary relief powers.

Due to the impact of COVID19 in the sectors mentioned in this policy the expanded relief is not a state aid.

#### **1.6 Application process**

Organisations who may qualify will be identified and then automatically awarded the discount by the Business Rates team. Once awarded, all businesses will be served with a revised bill and details of the discount.

#### **1.7 Period of Discount**

If there are no changes to the property, '*Expanded Retail Discount*' shall apply for the financial year 2021/22 as outlined above.

Businesses can refuse or request that the discount is removed from their account.

#### **1.8 Appeals**

Any appeal against a decision made under the '*Expanded Retail Discount*' policy must be made in writing and reach the Council within 28 days of an organisation receiving notification of an award decision.

- The Council will acknowledge the appeal within 5 working days of receipt.
- The Director of Finance will consider the appeal.
- The applicant will be informed of the final decision as soon as practicable thereafter.

## EQUALITY IMPACT ASSESSMENT CHECKLIST

***This checklist is to be used when you are uncertain if your activity requires an EIA or not.***

An Equality Impact Assessment (EIA) is a tool for identifying the potential impact of the organisation's policies, services and functions on its residents and staff. EIAs should be actively looking for negative or adverse impacts of policies, services and functions on any of the nine protected characteristics.

The checklist below contains a number of questions/prompts to assist officers and service managers to assess whether or not the activity proposed requires an EIA. Supporting literature and useful questions are supplied within the [EIA Guidance](#) to assist managers and team leaders to complete all EIAs.

<b>Service area &amp; dept.</b>	Business Rates - Finance	<b>Date the activity will be implemented</b>	01/04/2021
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<b>Brief description of activity</b>	Implementation of the Expanded Retail Discount for 2021/22
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<b>Answers favouring doing an EIA</b>	<b>Checklist question</b>	<b>Answers favouring not doing an EIA</b>
<input checked="" type="checkbox"/> Yes	Does this activity involve any of the following: - Commissioning / decommissioning a service - Budget changes - Change to existing Council policy/strategy	<input type="checkbox"/> No
<input type="checkbox"/> Yes	Does the activity impact negatively on any of the protected characteristics as stated within the Equality Act (2010)?	<input checked="" type="checkbox"/> No
<input type="checkbox"/> No <input type="checkbox"/> Not sure	Is there a sufficient information / intelligence with regards to service uptake and customer profiles to understand the activity's implications?	<input checked="" type="checkbox"/> Yes
<input type="checkbox"/> Yes <input type="checkbox"/> Not sure	<b>Does this activity:</b> Contribute towards unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act <i>(i.e. the activity creates or increases disadvantages suffered by people due to their protected characteristic)</i>	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Yes <input type="checkbox"/> Not sure	Reduce equality of opportunity between those who share a protected characteristic and those who do not <i>(i.e. the activity fail to meet the needs of people from protected groups where these are different from the needs of other people)</i>	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Yes <input type="checkbox"/> Not sure	Foster poor relations between people who share a protected characteristic and those who do not <i>(i.e. the function prevents people from protected groups to participate in public life or in other activities where their participation is disproportionately low)</i>	<input checked="" type="checkbox"/> No
<b>FOR = 1</b>	<b>TOTAL</b>	<b>AGAINST = 5</b>

**Will you now be completing an EIA?**

Yes

No

The EIA toolkit can be found [here](#)

<b>Assessment Lead Signature</b>	
<b>Checked by departmental E&amp;D Lead</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <b>Gwen Kinloch</b>
<b>Date</b>	10/03/2021