

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 3rd 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 1st April 2021 to 30th June 2021, and at 66% for the remaining period, from 1st July 2021 to 31st March 2022.

The Government confirmed that there would be no cash cap on the relief received for the period from 1st April 2021 to 30th June 2021. However, From 1st 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 5th 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 1st 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 31st 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 1st July to 31st 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.

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