

EXECUTIVE BOARD DECISION



REPORT OF:	Executive Member for Finance and Governance
LEAD OFFICERS:	Director of Finance
DATE:	13 January 2022

PORTFOLIO/S AFFECTED:	All
WARD/S AFFECTED:	All
KEY DECISION:	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

SUBJECT: Business Rates COVID 19 Discretionary Relief changes for 2021/22 & 2022/23

1. EXECUTIVE SUMMARY

Since 2019/20 the government has provided significant support via targeted discounts and reliefs to the Retail, Leisure and Hospitality sectors. The budget in October 2021 provided further details of the new measures for 2021/22 and 2022/23.

Included in the new measures is a new COVID 19 Additional Relief Fund (CARF) for businesses not entitled to previous covid reliefs but who have been adversely affected by the pandemic. For those eligible, this relief will seek to reduce the business rate bills for the 2021/22 financial year. The relief awarded will be a percentage of the ratepayers net liability. Once all applications have been received and assessed the allocation of relief can be determined.

In addition, the Retail, Hospitality and Leisure discount has been replaced with a discretionary relief for the 2022/23 financial year at the reduced rate of 50%.

A further new relief has also been announced that will extend the current transitional relief scheme and the supporting small business scheme for one year to the end of the current revaluation cycle.

To ensure that the changes can be implemented quickly, the Government is not changing the legislation governing reliefs, instead the council has been asked to formulate policies from the issued guidance and use its discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended) to grant the reliefs.

2. RECOMMENDATIONS

That the Executive Board:

- approves the COVID 19 Additional Relief Fund (CARF) policy for 2021/22;
- notes and approves the amendments to the Retail, Hospitality and Leisure relief scheme for businesses for the 2022/23 financial year, and;
- approves the Extension of Transitional Relief and Supporting Small Business Relief policy.

3. BACKGROUND

In March 2021 the government provided initial details on the additional support that would be put in place for businesses affected by the pandemic. Further details were outlined in the budget on the 27th October 2021. This included:

- the establishment of the Covid-19 Additional Relief Fund (CARF) for businesses who have had little support during the pandemic but been adversely affected;
- the replacement of the Retail, Hospitality and Leisure discount with a relief at the reduced rate of 50%, and;
- the introduction of the Transitional Relief and Supporting Small Business relief for small and medium sized properties.

The cost will be fully met by the government, a total of £3,678,533 has been allocated to the council for the CARF relief. Whilst the Retail, Housing and Leisure and Transitional Relief / Supporting Small Business relief will both be funded through the section 31 grant.

The amendments to the discretionary relief policy can be found in Appendix A.

4. KEY ISSUES & RISKS

4.1 Covid-19 Additional Relief Fund (CARF)

Whilst individual councils are responsible for designing their own local scheme, the broad guidance issued by the Department of Levelling Up, Housing and Communities must be followed. This includes:

- Not to award the CARF relief if the ratepayer is, or would, be eligible for the Extended Retail Discount, or Nursery Discount.
- Not to award relief to a property for a period when it is unoccupied (other than if the property was closed temporarily due to covid restrictions).
- Support should be directed towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.

The relief awarded will be a percentage of the ratepayers net liability. Once all applications have been received and assessed the allocation of relief can be determined. The full policy is attached in Appendix A.

4.2 Retail, Hospitality and Leisure Business Rates Relief scheme

This new relief provide eligible Retail, Hospitality and Leisure properties with a 50% relief, up to a cash cap limit of £110,000 per business.

4.3 Transitional Relief and Supporting Small Business Relief for Small and Medium properties Scheme

The government have confirmed that the current transitional relief scheme and the supporting small business scheme will be extended for one year to the end of the current revaluation cycle. The scheme will restrict increases in bills to 15% for businesses with small properties (up to and including £20,000 rateable value) and 25% for medium properties (up to and including £100,000 rateable value).

4.4 Administration of the relief

The Business Rate team will seek to automatically award reliefs where existing information will allow. This approach will be possible for Retail, Hospitality and Leisure relief, and the transitional Relief and Supporting Small Business Relief, however, the Covid 19 Additional Relief Fund will require a full application and assessment process.

5. POLICY IMPLICATIONS

The proposed changes to the Discretionary Policy are detailed in full in Appendix A.

6. FINANCIAL IMPLICATIONS

The Retail, Hospitality and Leisure relief, and the transitional Relief and Supporting Small Business Relief will be fully funded by the government through the section 31 grant.

Covid 19 Additional Relief will be administered in accordance with the available funding. The government have allocated the council a total of £3,678,533 for this relief. This relief will be cash limited and once allocated no further applications will be considered.

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 Finance Government Act 1988 (as amended).

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 relief. 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 reliefs 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. Where appropriate please include the hyperlink to the EIA.

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. (*insert EIA link here*)

Option 3 In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. (*insert EIA attachment*)

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 on the day following the meeting.

VERSION:	1
-----------------	----------

CONTACT OFFICER:	Andy Ormerod
-------------------------	---------------------

DATE:	30 th December 2021
--------------	--------------------------------

BACKGROUND PAPER:	Appendix A – Discretionary Policy amendments
--------------------------	--