



CHELTENHAM

BOROUGH COUNCIL

Notice of a meeting of Cabinet

**Tuesday, 15 September 2020
6.00 pm**

**Virtual WEBEX video conference via YouTube -
<https://www.youtube.com/user/cheltenhamborough>**

Membership	
Councillors:	Steve Jordan, Victoria Atherstone, Flo Clucas, Chris Coleman, Rowena Hay, Alex Hegenbarth, Peter Jeffries, Andrew McKinlay and Max Wilkinson

Agenda

1.	APOLOGIES	
2.	DECLARATIONS OF INTEREST	
3.	MINUTES OF THE LAST MEETING Minutes of the meeting held on 7 July 2020 and the Extraordinary meeting held on 28 July 2020.	(Pages 3 - 16)
4.	PUBLIC AND MEMBER QUESTIONS AND PETITIONS These must be received no later than 12 noon on Wednesday 9 th September.	
	SECTION 2 :THE COUNCIL <i>There are no matters referred to the Cabinet by the Council on this occasion</i>	
	SECTION 3 : OVERVIEW AND SCRUTINY COMMITTEE <i>There are no matters referred to the Cabinet by the Overview and Scrutiny Committee on this occasion</i>	
	SECTION 4 : OTHER COMMITTEES <i>There are no matters referred to the Cabinet by other Committees on this occasion</i>	
	SECTION 5 : REPORTS FROM CABINET MEMBERS AND/OR OFFICERS	
5.	REVIEW OF SHOPMOBILITY Report of the Cabinet Member Healthy Lifestyles	(Pages 17 - 34)

6.		LOCAL DISCRETIONARY BUSINESS RATES RELIEF SCHEMES Report of the Cabinet Member Finance	(Pages 35 - 66)
		SECTION 6 : BRIEFING SESSION • Leader and Cabinet Members	
7.		BRIEFING FROM CABINET MEMBERS	
		SECTION 7 : DECISIONS OF CABINET MEMBERS Member decisions taken since the last Cabinet meeting	
		SECTION 8 : ANY OTHER ITEM(S) THAT THE LEADER DETERMINES TO BE URGENT AND REQUIRES A DECISION	

Contact Officer: Bev Thomas, Democratic Services Team Leader, 01242 264246

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Cabinet

Tuesday, 7th July, 2020

6.00 - 7.00 pm

Attendees	
Councillors:	Steve Jordan (Leader of the Council), Flo Clucas (Cabinet Member Healthy Lifestyles), Chris Coleman (Cabinet Member Clean and Green Environment), Rowena Hay (Cabinet Member Finance), Peter Jeffries (Cabinet Member Housing) and Andrew McKinlay (Cabinet Member Development and Safety)
Also in attendance:	

Minutes

1. APOLOGIES

The Cabinet Member Corporate Services was unable to join the meeting.

2. DECLARATIONS OF INTEREST

There were none.

3. MINUTES OF THE LAST MEETING

The minutes of the meeting on 9th June 2020 were unanimously approved and signed as the correct record.

4. PUBLIC AND MEMBER QUESTIONS AND PETITIONS

Public questions (1 total)

1.	Question from Mr G. Li to the Cabinet Member Finance, Councillor Rowena Hay
	I run a small business based at St Paul's medical centre, and missed my local government discretionary grant application window. What kind of help or redemption can you provide me with?
	Response from Cabinet Member
	<p>This Council received funding of £1,128,000 to design a discretionary grant scheme to support local businesses. The scheme was designed jointly with Gloucester, Stroud and Tewkesbury councils.</p> <p>Like other Councils we anticipated demand would be high and would exceed the limited funding available. The scheme was therefore open for applications for a limited period between 9th and 21st June 2020.</p> <p>Unlike the earlier grant scheme the discretionary grants were aimed at businesses that are not business ratepayers. As we didn't have details of these businesses and where they are we weren't able to contact them</p>

	<p>directly so publicity was done via press releases, social media, the BID, LEP, MPs office and the Chamber of Commerce.</p> <p>Cabinet agreed on 9th June that it may be possible to open another application window if any funding remained once all applications had been assessed and grants awarded. This won't be possible as the funding has now been allocated</p> <p>I wish we had the funding available to help Mr Li and the many other businesses that still need help but unless the Government give us additional funding we are not able to consider any more applications.</p>
	<p>Supplementary question from Mr G. Li</p>
	<p>There is £4.4m joint funding across Cheltenham, Gloucester, Stroud and Tewkesbury. By 26th of June, according to Gloucestershire County Council's website, £3.4m had been allocated to 304 businesses across the four councils. Tewkesbury has £200,000 left and started 2nd round grant application on 6th of July.</p> <p>Yesterday, Cheltenham Borough Council informed me that at this stage, there are no funds left. But in the meantime, they can't disclose information relating to how many businesses applied and how much funding is left because there is fraudulent application occurring. In the future if they have any fund left, can they please consider our application?</p>
	<p>Response from Cabinet Member</p>
	<p>The £4.4m figure refers to the total amount available for all authorities in the county, with Cheltenham's own fund being £1,128,000. Although individual details of grant payments cannot be disclosed, a total of £1,105,000 has been allocated to 95 businesses in Cheltenham so far. A further £23,000 remains, but some applications which came in on time are still being assessed. Due to the limited funds available, it is highly unlikely that any funding will remain after the outstanding applications have been reviewed. If additional funding is forthcoming from the government in the future, you will be able to apply for assistance.</p>

Member questions (1 total)

<p>1.</p>	<p>Question from Councillor Bernard Fisher to the Leader of the Council, Steve Jordan</p>
	<p>Recent 'visits' by Travellers breaking into Swindon Village Playing Fields, threats being made to residents, court action, bailiffs, low loaders and clean-up of the site, have cost the Council a great deal of money.</p> <p>Would you look at the following solution? That boulders be placed around the grassed area to enable access on foot, but not for caravans. Local residents and visitors could use the car park and have access to the open space, but caravans would not be able to be sited on the fields.</p> <p>While this would require a relatively small investment, the resulting saving in bailiffs, court action, police presence, officer time and clean-up would be saved many times over.</p>
	<p>Response from Cabinet Member</p>
	<p>The car park already has a robust low level metal rail around its outer edges, and a locked gate onto the grass for Ubico vehicles. In addition to this the car park entrance off the</p>

highway has a height restriction barrier with boulders placed either side. Any further placing of boulders will have the effect of restricting access to the site by Ubico maintenance vehicles, and also emergency vehicles such as ambulances that may need access to the pitches from time to time. Following the last traveller occupation of the playing field, officers have installed more secure locks, as it appears they had been able to remove the previous ones despite there being a steel shroud welded around one of them.
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5. SOCIAL VALUE POLICY

The Leader of the Council presented the report, noting that it was important to explain what exactly social value meant to the people of Cheltenham.

He emphasised that the council must seek to maximise the social value of legislation, and ensure it aligns with the council's refreshed corporate plan. When it came to procurement, for example, it was not just about financial incentives but the wider social value too. The council's aim must be to ensure that everyone thrives, but this report particularly targeted a number of key areas including children in poverty, adults with health and social care difficulties and other disadvantaged residents. He added that the council was responsible for approximately £23m in annual purchasing power and was in the process of rolling out a £100m housing program.

Its procurement policy had also recently changed in order to offer greater discretion regarding sums under £25,000. He acknowledged that it was largely coincidental that it was happening during the Covid-19 lockdown, seeing as the relevant consultation took place six months ago. However, the present situation meant it was more important than ever to consider social value and the wider consequences of council policy.

The Cabinet Member Healthy Lifestyles emphasised that there was a real opportunity to equip disadvantaged residents with skills and support that will benefit them in the future. She added that young people were suffering extensively from the economic consequences of pandemic, and Cheltenham had a chance to lead the way through recovery.

The Cabinet Member Housing welcomed the report, and added that calculating social value had proved tricky in the past, so it was good that a concrete framework had been provided. He hoped that the council could reap the benefits in years to come.

The Leader thanked colleagues and officers for the work put into the report, and moved to a vote, which was carried unanimously.

RESOLVED THAT:

1. The social value policy attached as appendix 2 be agreed.

6. PAYMENT ACCESS REVIEW - THE FUTURE

The Leader of the Council presented the report, in the absence of the Cabinet Member Corporate Services. He acknowledged that a number of things that had been changing anyway had been accelerated by the Covid-19 crisis, and this

was one of them. The priority, however, remained the same – to continue providing an excellent service in whatever way customers need them, retaining the option of face-to-face services.

Cash offices had been forced to shut during the crisis, and the possibility of using the Post Office for cash payments was explored – thus simultaneously boosting the Post Office network. Officers had reported that these alternative methods worked perfectly well. He emphasised that the sooner the decision was taken, the better, as the cash offices were already closed.

Judy Hibbert, Customer and Support Services Manager, agreed that the Covid-19 crisis had made it an easy decision. The move followed national trends relating to self-service payments, and it was the right time to make the move.

The Cabinet Member Clean and Green Environment emphasised that the council must focus on its residents, and that this report did that. Services must be protected, and the way to do that was by reviewing the service offered, and streamlining and improving it where needed.

The Cabinet Member Finance added that it would particularly benefit vulnerable residents, by making key services easier to access and simpler to use.

The Cabinet Member Development and Safety agreed that the Covid-19 crisis had accelerated a number of changes in a positive way, and that he believed the new arrangements would be an improvement.

The Chief Executive added his thanks to the officers involved.

The Leader moved to a vote, which was carried unanimously.

RESOLVED THAT:

- 1. The cash office located at the Municipal Offices be permanently closed, as demand on the Council's payment office has been reducing year on year;**
- 2. A comprehensive communications plan be created to sign post customers to alternative payment arrangements;**
- 3. Customers that still need to pay bills in cash be offered the option of paying at Post Office locations within the borough;**
- 4. The option of making payments by cheque be phased out by December 2021, due to year on year reductions in the number of customers making payments this way.**

7. HOUSING & HOMELESSNESS STRATEGY 2018-23 - ACTION PLAN UPDATE 2020

The Cabinet Member Housing presented the report, noting that the Housing & Homelessness Strategy document, which was approved in 2018, remained a living document and was reviewed yearly.

He outlined the priorities and visions of the 2020 update, which included the council's £100m commitment to providing 500 new affordable homes, and the potential of the West Cheltenham Cyber Central plan to provide up to 2,000 new homes. He added that the council had made good use of existing accommodation by helping more than 20 households to downsize, by bringing empty homes back into use and by making more than 900 private sector homes safer.

A further key goal was to tackle rough sleeping and homelessness in general, with the result being that 394 households were prevented from rough sleeping – which also produced £1.5m income that these households did not realise they were entitled to. £1m funding was secured for rough sleeping, enabled them to continue providing emergency provision, while £44,000 was also secured in order to fund a new domestic abuse support officer role, as mentioned at the last Cabinet meeting.

The final key outcome was improving the health and wellbeing of communities, and he praised CBH and external partners for their work in setting up 1,800 community project activities – which, with some 4,000 volunteer hours put in, generated an estimated £10m in social value. He added that in the last year, 120 antisocial behaviour cases had been resolved, while 221 new lifelines were installed for vulnerable residents. He concluded that it had been a busy year, and he was pleased to bring the plan for the forthcoming year to Cabinet.

The Cabinet Member Healthy Lifestyles heartily praised the report and those involved in supporting the most vulnerable residents. The Cabinet Member Clean and Green Environment and the Cabinet Member Finance echoed this.

The Cabinet Member Development and Safety indicated that he was impressed by the number of different strands brought together in the report, which demonstrated the breadth of positive change that the council can bring about.

The Leader noted how topical the report was, given the importance of safe and secure housing during the Covid-19 crisis, and moved to a vote, which was carried unanimously.

RESOLVED THAT:

- 1. The Housing, Homelessness & Rough Sleeping Strategy Action Plan Update for 2020 be approved.**

8. COVID-19 RECOVERY STRATEGY

The Leader of the Council presented the report, acknowledging that these were still very difficult times despite positive steps towards recovery. The example of Leicester showed there was no guarantee that the road out would be easy.

The Covid-19 recovery strategy was originally published back in May at the first virtual Cabinet meeting, where it took the unorthodox approach of being published before consultation had taken place. He welcomed the feedback,

particularly from Vision 21 on the topic of climate change, and stressed it was a living document with the ability to evolve as the situation changed. The changes made after consultation included strengthened climate change commitments, an increased emphasis on working with partners to improve green spaces and the High Street, and a greater focus on cultural elements of the economy.

He stressed that the council had an opportunity to lead with its New Deal for Cheltenham, but acknowledged that the amount it could progress depended on the financial situation. Further guidance was needed from the government on what local authorities could expect.

The Cabinet Member Healthy Lifestyles echoed the Leader's point about working with cultural partners, and reported that they continued to be in constant contact.

The Cabinet Member Housing added that he had found it heartening that the exit strategy was taken into consideration at the very beginning of the Covid-19 crisis. The Cabinet Member Development and Safety agreed that they had been ahead of the pack in preparing its strategy, and their example had since been followed by other councils. He praised the strategy for building on Cheltenham's existing strengths rather than making unrealistic commitments.

The Leader moved to a vote, which was carried unanimously.

RESOLVED THAT:

1. **The consultation on the Draft Recovery Strategy be noted;**
2. **The changes to the document as a result of engagement and feedback be noted;**
3. **Cheltenham Borough Council's Recovery Strategy in Appendix A be approved;**
4. **The review of the Recovery Strategy be delegated to the Executive Director People and Change as part of wider recovery group of officers and partners under specific workstreams;**
5. **A report on the Recovery Strategy to be provided to Overview and Scrutiny and other local or county-wide partnership boards and meetings where appropriate.**

9. HOUSING REVENUE ACCOUNT - ACQUISITION OF 320 SWINDON ROAD SITE

The Cabinet Member Housing presented the report, noting that the council continued to constantly look at potential sites, in conjunction with housing delivery groups. In this case, 28 homes were to be built on a site on Swindon Road that had been vacant for a long time. He stressed that the council must drive forward affordable housing opportunities wherever they crop up.

The Cabinet Member Clean and Green Environment praised both the addition of new affordable homes and the regeneration of a long-term vacant site.

The Cabinet Member Development and Safety emphasised that the Swindon Road acquisition was part of a much wider strategy involving many other sites where affordable housing would be created in the years to come.

The Leader of the Council noted an error on the agenda, where it referred to the site as being in St Paul's ward rather than Swindon Village.

The Leader moved to a vote, which was carried unanimously.

RESOLVED THAT:

- 1. The acquisition of the site at 320 Swindon Road be approved on a conditional basis on the terms referenced at paragraphs 1 -5 within Appendix 2;**
- 2. The development of the site for affordable housing to be owned by the Authority be approved;**
- 3. It be noted that CBH, on behalf of the Authority, will apply for planning permission and conduct procurements to select contractors to carry out the design and construction of the new housing on this site;**
- 4. It be noted that subject to the tenders for the construction of the new housing being within the budgets approved by full Council and the receipt of planning permission, the Cabinet Member – Housing will approve the number of dwellings to be provided and will authorise the award of the contracts to the successful bidders where contracts are in excess of £100,000;**
- 5. Authority be delegated to the Executive Director – Finance and Assets, in consultation with the Cabinet Member Housing to:**
 - a. submit and accept bids to Homes England (HE) for grant funding to support the delivery of new affordable housing and, subject to consultation with the Borough Solicitor, enter into required grant agreements;**
 - b. agree the tenure of the affordable housing that will be delivered on the site;**
 - c. approve the disposal of the units on a shared ownership basis, at an initial equity share appropriate to prospective purchasers.**
- 6. Authority be delegated to the Head of Property, in consultation with the Borough Solicitor, to take all necessary steps and undertake all necessary procedures, including:**
 - a. entering into any legal documents for and associated with**

the purchase of the site and disposal of constructed units on a shared ownership basis;

- b. **entering into legal agreements and contracts (other than those referred to in paragraph 7(a) which do not exceed £100,000 or other documentation as may be required to implement or facilitate the development.**

10. PARTITION SCREENS IN LICENSED VEHICLES

The Cabinet Member Development and Safety presented the report.

At the last Cabinet meeting, he had announced that the decision had been made to open consultation on the question of partition screens, the results of which were outlined in the report. He noted that private hire drivers had been hit particularly hard by the Covid-19 crisis, both in terms of their business and their own safety. The council made a firm commitment to protect both drivers and members of the public who use taxis. The report did not make screens mandatory, both because there is no government legislation to do so, and because consultees were predominantly opposed to that. The result would instead be a mixed fleet, in which some vehicles have screens and some do not. He stressed that it would be up to the public to choose to use a vehicle that suits their needs, and there would be no obligation to take the taxi at the front of the rank if it does not.

The Cabinet Member Clean and Green Environment noted his surprise that most consultees had opposed making screens mandatory, considering the health benefits. He hoped that those who did install screens would make it clear to customers.

The Cabinet Member Housing added that confidence was essential, and the safer the public felt, the better.

The Leader moved to a vote, which was carried unanimously.

RESOLVED THAT:

1. **The consultation feedback be noted;**
2. **The proposed policy attached at Appendix 2 of this report be approved.**

11. BRIEFING FROM CABINET MEMBERS

The Cabinet Member Healthy Lifestyles reported that she had met with community workshops on 3rd July, and they had done a good job in bringing together community organisations and building a supportive system. She also thanked colleagues at GCHQ for supporting this by providing data and analysis of what exactly needed doing.

She noted that a significant piece of artwork was soon to be installed at Honeybourne Place, and suggested that local primary schools could arrange visits to inspire creativity. She also reported that the council's cultural partners were keen to be prime movers in reigniting Cheltenham's economy, and added that she would meet the leaders of the Holst Birthplace Museum on 8th July to discuss their plans for the exterior of the building in the future.

The Cabinet Member Clean and Green Environment updated members on the situation with play areas and outdoor gyms, which reopened on 4th July. He thanked Ubico and the parks department for keeping them all as clean and safe as possible. He reminded residents with children to continue observing social distancing guidelines, and noted that the vast majority of the increasing number of people using parks and gardens as lockdown eases had done so responsibly.

However, there had also been some unacceptable behaviour from a small minority, including leaving rubbish and behaving noisily and antisocially. He stressed that CBC would not stand for that, and was working with police to crack down on it. He also praised the recent 'don't be a tosser' advertising campaign, which was carried out both through flyers and over social media, and was supported by members and officers. The council needed to make clear that it was on the side of the vast majority of residents who use the parks considerately and responsibly, and the communications team was working to ensure this.

The Cabinet Member Finance updated members on the situation with the discretionary grants for businesses. In total, the council received 191 grant applications from local businesses, and distributed funding from the 9th June onwards according to their five criteria of need.

The first of these was the shared workspace criteria, which applied to 68 applications totalling £605,000. Just one application related to the market traders criteria, and they received £5,000. Four applications fulfilled the B&B criteria, and received £20,000 between them, while five charities received £50,000 between them.

A further 17 applicants received £425,000 in funding, meaning that in total, £1,105,000 was allocated to 95 businesses. Some applications were rejected, while others were still being considered, with a remaining pot of £23,000 as of the 8th July.

The Cabinet Member Housing noted that government announcements regarding the recovery had included interesting points relating to housing, but lacked firm guidance on the topic. CBH and CBC's housing officers remained on standby for more detail. He hoped that central government would not overlook local authorities as a delivery mechanism for housing, which would form a key part of any recovery.

The Cabinet Member Development and Safety added that the town centre team had been working with businesses in Montpellier and Regent Street on a scheme to narrow the highway. By reducing parking, the space available for tables and chairs would increase, which should make social distancing easier. He echoed the Cabinet Member Housing's point that they were still waiting on more detailed guidance from central government.

The Cabinet Member Finance added some feedback that the discretionary grant program has received from businesses helped by the funding. She emphasised that the council did the right thing by proactively distributing the funding, and thanked officers for their help in getting it done.

The Leader of the Council added that a special Cabinet meeting would take place at the end of July to consider the outturn report, ahead of the special Council meeting on the same topic.

He added that in keeping with the rest of the country, Gloucestershire County Council had published its outbreak contingency plan. He clarified that any issues around that were managed by the Health Protection Board, which would now meet weekly in order to consider the key data and react accordingly. The political oversight of that process would be carried out by the Outbreak Engagement Board, which met for the first time on 6th July and was a cross-party group including county councillors, district leaders, parish councillors and police representatives. He noted that the OEB would meet monthly or as required, and would receive regular data updates on the crisis as it developed. The more data that is made public, the better, and residents should be helped to understand the situation.

He also reported that the last meeting of the Cheltenham Development Task Force would take place soon, after ten years of work. He placed on the record his thanks to Graham Garbutt for his chairing and expertise, as well as Jeremy Williamson for his essential background work.

Chairman

Cabinet

**Tuesday, 28th July, 2020
4.00 - 4.20 pm**

Attendees	
Councillors:	Steve Jordan (Leader of the Council), Flo Clucas (Cabinet Member Healthy Lifestyles), Chris Coleman (Cabinet Member Clean and Green Environment), Rowena Hay (Cabinet Member Finance) and Andrew McKinlay (Cabinet Member Development and Safety)
Also in attendance:	Gareth Edmundson, Chief Executive and Sarah Farooqi, One Legal

Minutes

1. APOLOGIES

Councillors Hegenbarth and Jeffries.

2. DECLARATIONS OF INTEREST

There were none.

3. MINUTES OF THE LAST MEETING

The minutes of the meeting held on 7 July 2020 will be approved at the September meeting of Cabinet.

4. PUBLIC AND MEMBER QUESTIONS AND PETITIONS

There were none.

**5. FINANCIAL OUTFURN 2019/2020 AND BUDGET MONITORING REPORT
APRIL-JUNE 2020**

The Cabinet Member Finance introduced the report and informed that there had been significant lobbying on behalf of councils to central government to ensure adequate funding was given to councils to cover their losses due to Covid-19, which were estimated at in excess of £10 billion across the sector by the LGA.

From March 2020 the council had identified significant adverse COVID-19 impacts on in year finances for both the General Fund and the HRA. Section 13 of this report set out some of those impacts where known and identified some mitigating action. Members were requested to review the Section 151's assessment of the going concern report alongside this report.

COVID-19 had created the most challenging financial environment that the council has ever faced. She noted that it was a remarkable feat in these extremely financially challenging times that the outturn position, whilst overspent by £47.5K, was as low as this. She wished to put on record her thanks to the finance team for sound prudent financial management.

The Cabinet Member informed that, due to the pressures of the year end process a detailed monitoring exercise had not been undertaken at this point in the year. However, the financial impact of COVID-19 had been closely monitored since March 2020, with the additional expenditure incurred and the forecast loss of income being reported to the Ministry of Housing, Communities and Local Government (MHCLG) on a monthly basis.

Finally, she highlighted that the emergency would have a major impact on the ability to deliver the budget in 2020/21, as the loss of income and additional costs were expected to exceed government grant received. Some very difficult choices would have to be made in the near future.

Members wished to emphasise the importance of lobbying central government to tackle the losses and extra expenditure being incurred at this time and the impact this will have on the ability of the council to deliver service in the future.

The Leader commended the work of the Finance Team in balancing the books to the extent that had been achieved, and thanked the Cabinet Member Finance for her contribution.

RESOLVED THAT

1. the financial outturn performance position for the General Fund, summarised at Appendix 2 be received, and it be noted that whilst services have been delivered in 2019/20, there was an overspend of £47,518.56 against the approved budget which has been met from general balances (after carry forward requests).

Council be recommended to:

2. Note £191,552 of carry forward at Appendix 5.
3. Note the annual treasury management report at Appendix 7 and note the actual 2019/20 prudential and treasury indicators.
4. Note the capital programme outturn position as detailed in Appendix 8 and approve the carry forward of unspent budgets into 2020/21 (section 7).
5. Note the position in respect of Section 106 agreements and partnership funding agreements at Appendix 9 (section 9).
6. Note the outturn position in respect of collection rates for council tax and non-domestic rates for 2019/20 in Appendix 10 (section 10).
7. Note the outturn position in respect of collection rates for sundry debts for 2019/20 in Appendix 11 (section 11).
8. Receive the financial outturn performance position for the Housing Revenue Account for 2019/20 in Appendices 12 to 13 (as detailed in Section 12) and approves the carry forward, virement and reclassification of budgets in 2020/21 as set out in paragraphs 12.8 to 12.10.

9. Note the budget monitoring position to the end of June 2020 (section 13).

6. THE BURROWS PAVILION (AUTHORITY TO DISPOSE OF OPEN SPACE)

The Cabinet Member Finance introduced the report and highlighted that Leckhampton Rovers Football Club had grown considerably over the years. The report sought Cabinet approval for a 21 year lease for the pavilion and pitch licence at Burrows Playing Field.

This represented an exciting green space project which would be of great value to the local community and beyond.

Members welcomed the proposal.

RESOLVED THAT

1. The pavilion, outlined in red on the attached plan, Appendix 2, be disposed of by way of lease for a term of 21 years to Leckhampton Rovers Football at a market rent.
2. a Licence (a permission to use) be entered into with Leckhampton Rovers for the playing field, shown edged red on the attached plan.
3. a document that outlines an understanding between the Council and third parties in respect of improvements and ongoing maintenance of the playing field be entered into.
4. such documents be entered into as the Borough Solicitor deems necessary or desirable to reflect the terms negotiated, including any grant agreements with third party funders

7. BRIEFING FROM CABINET MEMBERS

The Cabinet Member Healthy Lifestyles reported that she had been working with councillors and others on a holiday hunger project in the town. Additionally, work was continuing on the No Child Left Behind Initiative to ensure a better future for those communities.

She informed that she had recently met with the Cheltenham Trust and commended it for the way it had been dealing with community need during the pandemic and also how the community had been benefitting from events being held at Pittville Pump room and Skilicorne Gardens.

The Cabinet Member Healthy Lifestyles also made Members aware of the work underway to use space at the airport to ensure donations could be stored prior to being delivered to households in need at this time.

8. CABINET MEMBER DECISIONS

Leader	Gloucestershire Economic Growth	https://democracy.cheltenham.gov.uk/ieDecisionDet
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	Joint Committee	ails.aspx?ID=1383
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Chairman

Cheltenham Borough Council Cabinet – 15th September 2020 Review of Shopmobility

Accountable members	Cllr Flo Clucas, Cabinet Member for Healthy Lifestyles
Accountable officers	Sanjay Mistry, Modernisation Programme Manager
Ward(s) affected	All
Key/Significant Decision	Yes
Executive summary	<p>Following the 2015 Shopmobility Review, the Council has continued to provide the service in spite of a much reduced demand year on year. Many former users now have their own mobility scooters, which cost as little as £450 to buy. In addition a number of charities in Cheltenham, together with private sector providers, operate a full 7 day service.</p> <p>An options appraisal has been undertaken to consider the future of the service. This has become more urgent due to the impact of the Covid-19 situation on the Council’s finances and the need for a significant subsidy for the service as such low numbers of users mean it is no longer sustainable.</p> <p>This extensive analysis demonstrates that the service is no longer viable especially given the role of charities and private sector.</p>
Recommendations	<p>Cabinet is recommended to approve:</p> <ol style="list-style-type: none"> 1. The decision not to re-open and to decommission the Council’s Shopmobility service for the reasons outlined in this report 2. There is a comprehensive communications plan implemented to make affected customers aware of this change and where they can get alternative support from 3. Savings realised from this change are used to support the Council’s Medium Term Financial Strategy

Financial implications	<p>If a decision to stop the shop mobility service is agreed by Cabinet. Initial annual revenue savings of £57,000 will be achieved, this has the potential to rise to £97,000.</p> <p>Potential one-off redundancy costs of £22,000 will be incurred unless redeployment of staff is possible, the payback period of this one-off expenditure will be a maximum of 0.4 years.</p> <p>The annual revenue saving will go towards supporting the Council's Medium Term Financial Strategy.</p> <p>Any future income or capital receipts in relation to the future use/disposal of the premises has not been included within the figures mentioned above. More detail is included within the report.</p> <p>Contact officer: Jon Whitlock, Business Partner Accountant 01242 264354</p>
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<p>Legal implications</p>	<p>There is no statutory requirement for a local authority to provide/operate a Shopmobility service. Any decision however to discontinue a service, that has been previously provided, could be subject to challenge.</p> <p>In addition to the general need to ensure that any decision is lawfully (i.e. an authority has the lawful power to make the decision, the decision is reasonable and fairly made) made, an authority has a more specific duty to ensure that it complies with its duties under the Equality Act 2010.</p> <p>Under the Equality Act 2010 the authority has a duty when proposing service changes to:(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this (Equality) Act (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. Protected characteristics include age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.</p> <p>Before taking a decision that may impact on persons with Protected Characteristics an authority must have ‘due regard’ for advancing equality which in involves: (a) removing or minimising disadvantages suffered by people due to their protected characteristics (b) taking steps to meet the needs of people from protected groups where these are different from the needs of other people and, (c) encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.</p> <p>It is necessary for an authority (and in this case Cabinet) to understand the potential effects of its activities on different people. Consultation should be undertaken at the earliest opportunity, with persons possessing a protected characteristic who may be affected and consideration should be given to any feedback from the consultation before a final decision is taken.</p> <p>Contact officer: One Legal – legal.services@tewkesbury.gov.uk</p>
<p>HR implications (including learning and organisational development)</p>	<p>If the decision is made to close the Shopmobility service, this would result potentially in 3 redundancies, if redeployment opportunities are not found. HR will work closely with the Service Manager, affected members of staff & the Unions, consulting on a regular basis & following relevant processes to ensure any impact on the staff is minimised and the situation is handled sensitively.</p> <p>Contact officer: Clare Jones, HRBP Clare.jones@publicagroup.uk</p>
<p>Key risks</p>	<p>A Risk Assessment has been completed in Appendix 1</p>

<p>Corporate and community plan Implications</p>	<p>A Community Impact Assessment has been completed in Appendix 2. There are private sector mobility service providers operating within the borough and charities that can provide funding to those individuals that may need financial assistance.</p>
<p>Environmental and climate change implications</p>	<p>None</p>
<p>Property/Asset Implications</p>	<p>There will be several options for the premises and the Council's Property Team can undertake an options appraisal and recommendation for Cabinet to consider via the asset management working group.</p> <p>Contact officer: Simon Hodges Simon.Hodges@cheltenham.gov.uk</p>

1. Background:

- 1.1 Cheltenham Shopmobility provides battery powered wheelchairs and scooters, as well as manual wheelchairs. The service helps people of all ages who have mobility problems. The service includes both daily and weekly hire of equipment and provides training to all new customers using powered equipment - <https://www.cheltenham.gov.uk/shopmobility>. Shopmobility is open Monday to Saturday 9.30am to 4.30pm.
- 1.2 In September 2015, Cabinet considered a report on the future of Shopmobility, following receipt of notice to quit its then location in the Beechwood Arcade. The report included details of a consultation exercise into relocation options and the future of the service more generally. The results of the consultation exercise strongly supported continuation of a Shopmobility service in some form in the town.
- 1.3 Cabinet resolved to relocate the service to the Horse and Groom in St George's Place (undertaken in November 2015) and to commence a commissioning process in January 2016. Commissioning was considered to be the best way to secure long-term provision of the Shopmobility service.
- 1.4 A commissioning process was undertaken, commencing with workshops – both internal and with the community – to establish what form a commissioned Shopmobility should take. These were followed by two Early Market Engagement exercises. The first in June 2016 did not generate any interest
- 1.5 However, a second exercise in September 2016 produced a response from one interested party. A procurement exercise was undertaken following the second Market Engagement exercise, unfortunately during the process it became apparent that the interested party would be unable to deliver the required outcomes of the contract, and the procurement exercise was abandoned. The service continues to be delivered unchanged.

2. Impact from Covid-19:

- 2.1 The impact of Covid-19 on the Council's financial position has meant the Council has no option but to explore options of achieving further efficiencies to support its Medium-Term Financial position. This financial pressure is not unique to Cheltenham Borough Council and is affecting the whole local government sector.

3. The Current Position:

- 3.1 The purpose of this report is to provide Cabinet with a review of the Council's Shopmobility service and recommendation on its future.
- 3.2 The Shopmobility service costs in excess of £64,000 annually, and income is under £6,000 per annum even with an increase in fees introduced from 2019. Between 2015-16 and 2019-20, there was a significant percentage drop in the number of visitors per month, and this year the numbers are projected to fall again to less than 1200.
- 3.3 The number of regular users remains low. We have defined a regular user as someone who hires every month on more than 2 occasions which is 17 users. Of those 17 only 6 use the service more than 3 times per month (this is based on a data analysis between April 2019 and November 2019).
- 3.4 The visitor ratio of regular customers to new hires is approximately 85% regular to 15% new customers. The current equipment needs replacing. The cost of a commercial, heavy weight scooter is around £3,500 and two are required as a minimum at the earliest opportunity; if further failures occur there is no resilience available within the service.

3.5 Wheelchair and mobility scooters are now more affordable with lightweight, folding scooters available for as little as £450. This has been demonstrated by the number of previous service users that have now purchased their own vehicle and ceased using Shopmobility. There are also charities that can possibly help with funding for mobility equipment.

3.6 Service usage data:

	2019/20 ¹ (18/03/20)	2018/19	2017/18	2016/17	2015/16	2014/15
Total visitors	1085	1666	1517	1511	2154	
Av per month	90	138	126	126	180	
Av income per week	£112.73	£73.71	£84.15	£85.48	£141.13	£137.27
percentage of regulars/ new	85%/15%	N/A	N/A	N/A	N/A	
Least used day	Monday					
most used day	Saturday					

1 - Fee increase and annual subscription introduced 01/04/19

3.7 Current costs and income directly associated with the service provision:

A/C ref	Account(T)	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
1	Employees	47,732	46,204	44,555	42,691	41,013	40,410
2	Premises-Related Expenditure	12,685	12,424	3,866	4,265	15,528	5,236
3	Transport-Related Expenditure	-	157	-	-	-	-
4	Supplies & Services	2,289	2,530	5,879	2,490	8,205	5,648
7	Support Services	-	-	46,500	29,500	29,500	4,600
8	Depreciation and Impairment Losses	4,737	4,737	4,737	1,050	-	-
9	Income	-5,905	-3,833	-4,376	-4,445	-7,339	-7,138
Total	Shopmobility	£61,538	£62,219	£101,160	£75,551	£86,906	£48,756

4. Summary of the Service Review – Options Appraisal:

4.1 As part of this review an options appraisal was undertaken and the five options considered in this report are summarised below:

1. Do nothing
2. Commission the service to a third party
3. Service redesigned and relocated to the Municipal Offices
4. Relocating to a site with higher footfall and a greater public profile
5. Discontinue service

4.2 It is recommended that option 1, 2, 3 and 4 are discounted and that the Council proceeds with option 5, for the reasons outlined below:

Option 1:	Do Nothing – maintain the existing service provision as is
Pros:	<ul style="list-style-type: none"> • Regular customers would continue to benefit from the service • The Council’s reputation with its clients would be maintained by demonstrating that it provides a ‘not for profit’ service to the less able members of the community
Cons:	<ul style="list-style-type: none"> • Service is currently running at a significant financial loss • Demand for the service is reducing • Staff resources are under utilised • Significant investment in equipment is needed • Valuable property asset is under performing • This option does not address the falling demand for the service
Recommendation:	<p>Data has shown that there is downward trend in usage and investment is needed to make it a viable service. This investment is likely to have a longer than preferred ROI. It is likely that the downward trend will continue based on historical performance.</p> <p>The Council needs to consider very carefully its provision of discretionary services following the immediate financial pressures of the Covid-19 pandemic. Shopmobility falls into the category of discretionary, and had it been a service that was operating at zero cost, a decision to retain it may have been simpler.</p> <p>Unfortunately the current position is that the service is not in a position to increase its income to a level that would enable sustainability. At the same time the Council is foregoing an income stream from the asset.</p>

Option 2:	Commission the service to a third party / Source sponsorship
Pros:	<ul style="list-style-type: none"> • A local business or charity could elect to take over the management and delivery of the service • For an external organisation operating the service on a commissioned basis, salary costs could be considerably lower due to a few variables, i.e. service personnel may be costed differently, fewer employees may be required, lesser contributions to superannuation.
Cons:	<ul style="list-style-type: none"> • A comprehensive procurement exercise was carried out in 2016 and failed to secure any interest • A sponsorship model may not be sustainable and could lead to a decommission of the service and staff redundancies • If a procurement exercise is authorised by Cabinet and subsequently a new provider of the Shopmobility Service is

	<p>appointed, there will be direct TUPE implications</p> <ul style="list-style-type: none"> The service is less attractive than it was back in 2016, so the chances of securing an alternative supplier is even less likely
Recommendation:	<p>Following the previous exercise to secure a commissioned service provider, experience has shown that interest in this sector is difficult to attract. This also applies to attracting interest from the major town shopping centre and large retailer.</p> <p>Previous negotiations have been unsuccessful and the position is unlikely to have changed. Considering these issues, this option does not appear to warrant further investigation and therefore discounted.</p>

Option3:	Service redesigned and relocated to the Municipal Offices
Pros:	<ul style="list-style-type: none"> Move to an appointment only based service with bookings made online or by phone The customer service/business support team could manage the bookings for those customers without internet access Shopmobility officers would still manage the equipment and training but would also carry out other Council duties leading to improved utilisation Vacating the property in St George's Place would allow the asset value to be realised either through commercial letting or disposal Convenient "one stop shop" for service users to hire equipment and conduct other Council business More accessible location for people with mobility issues compared to current location at St George's Place Consider using volunteers to deliver service (<i>recent 3 month long volunteer drive has demonstrated a lack of interest</i>)
Cons:	<ul style="list-style-type: none"> Municipal Offices is not easily accessible for people with disabilities Significant investment in equipment is needed Possible reduction of service operating hours to Monday - Friday due to Municipal Offices weekend access constraints Relocation costs – movement of equipment, updating / renovation of new location rooms / facilities This option does not address the falling demand for the service
Recommendation:	<p>Providing a reduced service either in respect of operating times or services offered is not considered a feasible option. It would likely result in a further reduction in usage.</p> <p>The option of relocating to the Municipal Offices, and making the location fit for purpose, carries a significant financial risk. This further strengthens the case for this not to be a viable option.</p>

Option 4	Relocating to a site with higher footfall and a greater public profile
Pros:	<ul style="list-style-type: none"> Vacating the property in St George's Place would allow the asset value to be realised either through commercial letting or disposal Scope for service to gain greater exposure, subject to a prominent commercial location
Cons:	<ul style="list-style-type: none"> A more prominent position is likely to incur higher rent and

	<p>rates, unless it is a Council asset</p> <ul style="list-style-type: none"> • If moved to another Council asset there would be an opportunity cost
Recommendation:	<p>Considering the current performance of the service and the general shift in customers becoming self-sufficient, this option does not warrant the additional revenue costs that would be associated with its delivery.</p>

Option 5	Discontinue service
Pros:	<ul style="list-style-type: none"> • Demand for the service is reducing and this trend is likely to continue based on historical performance • Potential annual financial savings of £57k - £97k which could be reinvested in higher priority Council services and/or support the Medium Term Financial Strategy • There is alternative mobility providers in Cheltenham • Vacating the property in St George's Place would allow the asset value to be realised either through commercial letting or disposal
Cons:	<ul style="list-style-type: none"> • Shopmobility staff cannot be redeployed and would face a redundancy scenario which carries a maximum one-off exposure of £22k • Social inclusion decline if service is not relocated and St George's Place usage changes
Recommendation:	<p>The recommended option This is based on the falling demand for the service and current financial climate the recommended decision would be to discontinue the service</p>

5. Community Impact Assessment:

- 5.1 A community impact assessment has been completed and this is attached in appendix 2 of the report. There are private sector mobility equipment providers in Cheltenham and there are charities that can provide funding to individual's where needed.

6. Consultation:

- 6.1 Despite there being no legal requirement, as part of the businesses case, a consultation exercise was undertaken with several organisations including Cheltenham Open Door, Age UK and Cheltenham Business Improvement District. They were concerned around the reduction of direct provision provided by the Council. In response to this consultation exercise one of the recommendations is to develop and implement a comprehensive communications plan to sign post users to alternative means of support. In addition, we have also spoken to several mobility service providers in Cheltenham who are happy for Shopmobility users to be signposted to them.

7. Performance management – monitoring and review:

- 7.1 The permanent closure of the service would be overseen by a dedicated Programme Manager based on the Council's project management framework.

Report author	Contact officer(s): <ul style="list-style-type: none">• Sanjay Mistry• sanjay.mistry@cheltenham.gov.uk
Appendices	1: Risk Assessment 2: Community Impact Assessment
Background information	None

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
001	Financially disadvantaged groups may be affected if unable to access Shopmobility.	Director of Planning		4	3	12	Accept	Potential to explore options to support affected groups to identify alternative provision		Helen Thomas	
002	If the likely or actual effects of proposed changes in the service on persons who share protected characteristics are detrimental, then the Council will be in potential breach of its Public Sector Equalities Duty contained in Section 149 of the Equality Act 2010.	Chief Executive		5	2	10	Close	Undertake Community Impact Assessment		Sanjay Mistry	
003	Should the service be closed then redundancy situation would apply for those staff unless they were able to be redeployed. There may be redundancy and pension liabilities.	Clare Jones		2	2	4	Accept	Clarify position with Publica HR		Sanjay Mistry	
004	Failure to properly communicate changes could result in issues for service areas and our external customers	Director of Planning		3	1	3	Reduce	A communications plan will be developed for internal services and external customers		Sanjay Mistry	
005	Failure to properly manage the project could negatively impact upon <ul style="list-style-type: none"> Customer 	Director of Planning		4	3	12	Reduce	The resource requirements of the project will be quantified and suitable		Sanjay Mistry	

	satisfaction levels <ul style="list-style-type: none"> • Customer experience • Reputation • Staff morale 							provision with the appropriate capabilities will be secured			

Explanatory notes

Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)

Likelihood – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)

Control - Either: Reduce / Accept / Transfer to 3rd party / Close

What is a community impact assessment?

A community impact assessment is an important part of our commitment to delivering better services for our communities. The form will help us find out what impact or consequences our functions, policies, procedures and projects have on our communities, as well as employees and potential employees.

By undertaking an impact assessment, we are able to:

- Take into account the needs, experiences and circumstances of those groups of people who use (or don't / can't use) our services.
- Identify any inequalities people may experience.
- Think about the other ways in which we can deliver our services which will not lead to inequalities.
- Develop better policy-making, procedures and services.

Background

Name of service / policy / project and date	Shopmobility review – June 2020
Lead officer	Sanjay Mistry – Programme Manager (CBC)
Other people involved in completing this form	Helen Thomas – Business Support Team Manager (CBC) Clare Jones – HR Business Partner (Publica)

Step 1 - About the service / policy / project

<p>What is the aim of the service / policy / project and what outcomes is it contributing to</p>	<p>The aim of the Shopmobility service is to provide mobility equipment to help people of all ages, who for a variety of reasons have difficulty getting around the town centre area of Cheltenham.</p> <p>This review is aligned to the Council’s Strategic Objectives and Principles as set out in the following documents:</p> <ul style="list-style-type: none"> • Corporate plan 2019 – 2023: We will be commercially focused where needed and become financially self-sufficient to ensure we can continue to achieve value for money for the taxpayer. • Commercial Approach: We will adhere to statutory responsibilities and ensure that public money continues to be appropriately used and accounted for. • Customer & Digital Strategy: We understand that true transformation requires redesigning and re-engineering our organisation on every level and includes people, processes and technology. • Modernisation Workstream Initiation Document - Organisational Design: The cost of and demand for services across the Council as a whole is understood • Modernisation Workstream Initiation Document - Organisational Design: Redefined job roles and new ways of working allow resources to be managed, planned and directed to where they will have the greatest impact.
<p>Who are the primary customers of the service / policy / project and how do they / will they benefit</p>	<p>The primary customers of the Shopmobility service are the residents residing in the borough of Cheltenham and visitors with mobility difficulties.</p>
<p>How and where is the service / policy / project implemented</p>	<p>The service is currently delivered from 30 St Georges Place, Cheltenham. It is delivered by Cheltenham Borough Council.</p>
<p>What potential barriers might already exist to achieving these outcomes</p>	<ul style="list-style-type: none"> • Insufficient Cabinet support to consider discontinuing the service

Step 2 – What do you know already about your existing / potential customers

<p>What existing information and data do you have about your existing /</p>	<ul style="list-style-type: none"> • Significant decline in use between 2015-16 and 2019-20. • Usage appears low compared to similar towns/cities (notably Worcester and Gloucester – anecdotal).
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potential customers e.g. Statistics, customer feedback, performance information	<ul style="list-style-type: none"> • Comparative costs to clients are difficult to assess because of the variety of payment methods across the various providers nationally. A number of services are free to customers. Cheltenham looks to be on the high side of the norm for services which charge. • O&S Shopmobility Task Group, Cheltenham Chamber of Commerce and Cheltenham Business Improvement District want to see a continued service in the town. • The service receives positive responses for customers
What does it tell you about who uses your service / policy and those that don't?	<ul style="list-style-type: none"> • There is a small core of regular users who are very frequent users. • Primary users are people with a mobility disability, usually (but not exclusively) those without access to their own equipment. Many are late middle-age or elderly, though again, not exclusively.
What have you learnt about real barriers to your service from any consultation with customers and any stakeholder groups?	There is a preference evident through past consultations for continued provision of the service by CBC, however, a recognition that it could be provided by charities or the community.
If not, who do you have plans to consult with about the service / policy / project?	N/A

Step 3 - Assessing community impact

How does your service / policy / project impact on different groups in the community?

Group	What are you already doing to benefit this group	What are you doing that might disadvantage this group	What could you do differently to benefit this group	No impact on this group
People from black and minority ethnic groups				✓
People who are male or female				✓
People who are transitioning from one gender to another				✓
Older people / children and young people	Older people are a majority user of the	Service closure is likely to impact on accessibility to	Help to identify alternative support agencies within	

	service.	town centre for shopping, leisure and social contact.	the town.	
People with disabilities and mental health challenges	Primary user base.	Service closure is likely to impact on accessibility to town centre for shopping, leisure and social contact.	Help to identify alternative support agencies within the town.	
People who have a particular religion or belief				✓
People who are attracted to their own sex, the opposite sex or to both sexes.				✓
People who are married or in a Civil Partnership				✓
People who are pregnant or who are on maternity leave	Potential user of the service, but not a major target.		Help to identify alternative support agencies within the town.	
Other groups or communities				✓

Step 4 - what are the differences?

Are any groups affected in different ways to others as a result of the service / policy / project?	Financially disadvantaged groups may be affected if unable to access Shopmobility. Users of public transport may be disadvantaged if the Shopmobility service is discontinued or required to move away from town centre.
Does your service / policy / project either directly or indirectly discriminate?	No
If yes, what can be done to improve this?	No

<p>Are there any other ways in which the service / project can help support priority communities in Cheltenham?</p>	<p>Any potential synergies between the service and other organisations in the town have been considered as part of a previous commissioning process. The process was not successful in identifying an alternative service provider.</p> <p>In Gloucestershire, there are a number of providers for mobility devices. In Cheltenham, there other organisations who provide a wide range of mobility services. These alternative providers are briefly summarised below:</p> <ol style="list-style-type: none"> 1. Assured Mobility at Katherine Court, Warden Hill, Cheltenham, which provides a range of mobility services https://www.assuredmobilityltd.co.uk/cheltenham/ 2. DC&M, at Neptune Business Centre, Tewkesbury Road, Cheltenham, which provides a range of mobility services https://www.dcmglos.co.uk/mobility-products/aids-to-daily-living 3. Badham Mobility, Old Farmers Arms, Evesham Road, Bishops Cleeve, which provides a range of mobility services https://www.badham-mobility.co.uk/products <p>There are also charities that can possible help with funding for mobility scooters which can be identified via Better Mobility - https://www.bettermobility.co.uk/</p>
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Step 5 – taking things forward

<p>What are the key actions to be carried out and how will they be resourced and monitored?</p>	<p>The primary key action is to develop a business case to fully appraise the options available to help determine the future of Shopmobility.</p> <p>The action will be resourced with officers from CBC, Publica and One Legal, and monitored by CBC ELT lead Darren Knight; Executive Director People & Change.</p>
<p>Who will play a role in the decision-making process?</p>	<p>Cllr Flo Clucas and the Cabinet. CBC ELT</p>
<p>What are your / the project’s learning and development needs?</p>	
<p>How will you capture these actions in your service / project planning?</p>	

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Cheltenham Borough Council
Cabinet – 15 September 2020
Local Discretionary Business Rates Relief Schemes

Accountable member	Councillor Rowena Hay, Cabinet Member Finance
Accountable officer	Jayne Gilpin, Head of Revenues and Benefits
Ward(s) affected	All
Key/Significant Decision	Yes
Executive summary	<p>Business Rate relief schemes for the financial year 2020/21 were approved by Cabinet on 3 March 2020. As part of the Coronavirus support to businesses the Government made changes to Retail Discount and introduced a new Nursery Discount.</p> <p>The reliefs have been awarded to businesses in accordance with Government guidance and approval is being sought using the Council's discretionary powers.</p>
Recommendations	<p>Cabinet is recommended to</p> <ol style="list-style-type: none"> 1. Approve the changes to the business rates retail discount scheme for 2020/21 as detailed in appendix 2 and the detailed guidance in appendix 3 2. Approve the nursery discount scheme for 2020/21 in line with appendix 2 and the detailed guidance in appendix 4 3. Authorises the Head of Revenues and Benefits in consultation with the Cabinet Member Finance to implement any further changes in 2020/21 made by the Government to the reliefs detailed in appendix 2 4. Authorise the Head of Revenues and Benefits in consultation with the Cabinet Member Finance to implement any new business rate relief schemes introduced by the Government in 2020/21 in accordance with any guidance provided and subject to them being fully funded 5. Delegate authority to the Head of Revenues and Benefits to take decisions relating to the reliefs outlined in this report and to delegate authority to the Executive Director Finance and Assets, in consultation with the Cabinet Member Finance, to consider and determine any reviews requested in respect of such decisions.

<p>Financial implications</p>	<p>As detailed within the report and appendices Central government will fully reimburse local authorities for the local share of the retail and nursery discounts provided the Council uses its powers to grant them in accordance with the guidance.</p> <p>Contact officer: Paul Jones</p> <p>paul.jones@cheltenham.gov.uk, 01242 775154</p>
<p>Legal implications</p>	<p>The Council has statutory power to award discretionary rate relief under section 47 of the Local Government Finance Act 1988 (as amended by section 69 of the Localism Act 2011).</p> <p>The cost of relief to the Local Authority can be recovered from the Government by way of grant under section 31 of the Local Government Act 2003. The government must establish a discretionary scheme for administering the relief to access this funding.</p> <p>Contact officer: One Legal - legal.services@tewkesbury.gov.uk</p>
<p>HR implications (including learning and organisational development)</p>	<p>There are none associated with this report</p>
<p>Key risks</p>	<p>See appendix 1</p>
<p>Corporate and community plan Implications</p>	<p>None</p>
<p>Environmental and climate change implications</p>	<p>None</p>
<p>Property/Asset Implications</p>	<p>There is nothing in this report which impacts on Council properties</p> <p>Contact officer: Dominic.Stead@cheltenham.gov.uk</p>

1. Expanded Retail Discount

- 1.1 In the budget statement on 29 October 2018 the Government announced that it would provide business rates discounts for retail properties with a rateable value of less than 51,000 for the financial years 2019/20 and 2020/21.
- 1.2 On 27 January 2020 the Government confirmed that for 2020/21 the level of discount would be increased from one third of the rates payable to 50%. It also extended the criteria to include music venues and cinemas in addition to shops, bars, pubs, café's, restaurants, coffee shops, takeaways and properties being used for services such as travel agents, hair dressers, dry cleaners and shoe repairs.
- 1.3 In the Budget on 11 March, in response to the coronavirus pandemic, the Government announced that it would increase the retail discount to 100% and extended it to include the leisure and hospitality sectors.
- 1.4 A further announcement was made on 17 March which removed the £51,000 rateable value limit so that it would apply to occupied retail, leisure and hospitality properties in the year 2020/21.
- 1.5 On 23 March the discount was expanded further to include some business types that had previously been excluded. These are employment agencies, estate agents, lettings agencies, betting shops, bingo halls, wellness centres, spas, massage parlours, casinos, gambling clubs and bingo halls.
- 1.6 Following discussions with the European Commission the Government also confirmed on 2 April 2020 that State Aid rules ceased to apply to expanded retail discount so larger businesses with multiple outlets would qualify
- 1.7 Due to the timing of information about these discounts and the need to provide support to businesses as quickly as possible bills with the 100% discount have already been issued to just over 1,000 eligible businesses.
- 1.8 A list of the types of retail purposes is in the guidance in appendix 3
- 1.9 The policy on business rate reliefs for 2020/21 in appendix 2 has been updated to reflect the changes
- 1.10 As these are a temporary measure, billing authorities are required to grant the discounts using discretionary relief powers under section 47 of the Local Government Finance Act 1988, amended by the Localism and the detailed guidance provided which is in appendix 3.
- 1.11 The Government will fully fund the local share of expanded retail discounts awarded, provided the Council uses its powers to grant relief in accordance with the eligibility criteria in the guidance.

2. Nursery Discount

- 2.1 As a further measure in response to the coronavirus pandemic on 18 March 2020 the Government announced a business rates nursery discount.
- 2.2 The 100% discount applies to properties occupied by childcare providers on Ofsted's Early Years Register. The property must be wholly or mainly used for the provision of the Early Years Foundation Stage and be subject to business rates in the year 2020/21.

- 2.3 There is no rateable value limit and the discount is not subject to state aid.
- 2.4 Bills with the 100% Nursery Discount have been issued to 19 eligible businesses.
- 2.5 The guidance provided is in appendix 3
- 2.6 The policy on business rate reliefs for 2020/21 in appendix 2 has been updated to include this discount. As these are a temporary measure, billing authorities are required to grant the discounts using discretionary relief powers under section 47 of the Local Government Finance Act 1988, amended by the Localism and the detailed guidance provided which is in appendix 3.
- 2.7 The Government will fully fund the local share of nursery discounts awarded, provided the Council uses its powers to grant relief in accordance with the eligibility criteria in the guidance.

3. Pub Discount 2020/21

- 3.1 A business rates pub discount of £1,000 was originally introduced for 2020/21. This ceased to apply due to all pubs becoming eligible for the 100% expanded retail discount. Pubs in receipt of the pub discount have been issued replacement bills with the expanded retail discount.

4. Alternative options considered

- 4.1 The Government expects billing authorities to grant these reliefs to qualifying ratepayers and will fully reimburse the Council for its share of the cost of reliefs awarded in line with the guidance.

5. Consultation and feedback

- 5.1 Due to the timing of announcements, the multiple changes being made and the other coronavirus support measures for businesses these discounts were implemented promptly in accordance with the latest Government guidance. The Leader of the Council and Cabinet Member Finance were consulted on this approach.

6. Performance management – monitoring and review

- 6.1 The number of businesses benefiting from these discount schemes and the total amount awarded will be monitored by the Head of Revenues and Benefits and is currently being reported to the Government on a weekly basis.

Report author	Contact officer: Jayne Gilpin, Head of Revenues and Benefits Jayne.gilpin@cheltenham.gov.uk, 01242 264323
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Appendices	<ol style="list-style-type: none">1. Risk Assessment2. Updated Business Rates Relief Schemes 2020/213. Retail Discount guidance4. Nursery Discount Guidance
Background information	<ol style="list-style-type: none">1. Section 47 Local Government Finance Act 1988, as amended by section 69 of Localism Act 2011

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	If the policy is not approved as required by law Government funding for the discounts may not be available	Jayne Gilpin	25/08/2020	2	1	2	Accept	Cabinet Approves the report recommendations	25/08/2020	Jayne Gilpin	
Explanatory notes											
<p>Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)</p> <p>Likelihood – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)</p> <p>Control - Either: Reduce / Accept / Transfer to 3rd party / Close</p>											

**Cheltenham Borough Council Policy for
Local Discretionary Business Rates Relief Schemes
Updated Cabinet 15 September 2020**

The policy sets out the Council's Local Discretionary Rate Relief Schemes for 2020/21 under section 47 of the Local Government Finance Act 1988, as amended.

Section 1: Retail Discounts

Retail discount will be available in the financial years 2019/20 and 2020/21 for occupied retail properties. In 2019/20 the discount is one third of the rates payable after other reliefs. It only applies to properties with a rateable value of less than £51,000.

In 2020/21 there is no rateable value limit. The expanded retail discount is 100% cent and applies to occupied retail, leisure and hospitality properties after other reliefs. The discounts will end on 31 March 2021.

The discounts will be awarded in line with the detailed guidance issued by the Ministry of Housing, Communities and Local Government. In 2020/21 expanded Retail Discount is not subject to state aid rules. The discount will be administered as detailed in section 4.

Section 2: Local Revaluation Support

The revaluation support scheme is available to businesses with increased rate bills on 1st April 2017 compared to 2016/17 bills, as a result of the 2017 revaluation. As the relief is based on increases due to revaluation it is only applicable in 2018/19 and 2019/20 to those businesses continually in receipt of relief since 1st April 2017, provided the qualifying conditions continue to be met.

2020/21 is the final year of this scheme and relief will end on 31 March 2021. In 2020/21 relief will only be applicable to those businesses which have continually been in receipt of the relief since 1st April 2017, meet the qualifying conditions below are not also in receipt of one of the following reliefs:

Transitional relief
Small business rate relief
Supporting small business relief
Retail discount
Pub discount
Any other mandatory or discretionary reliefs

Qualifying Conditions

Revaluation Support will only be awarded in respect of the rates payable for a property where the following conditions are met

- There has been an increase in the rates bill from 1st April 2017 compared to 2016/2017 bill, as a result of the 2017 revaluation
- The ratepayer must be in occupation and liable for business rates for the relevant property on 31st March 2017 and 1st April 2017
- The rateable value is less than 200,000
- The annual increase in rates bill for 2017/18 is more than £50.00 or 3% more, whichever is greater, when compared to the annual bill for 2016/17
- The property must be occupied, relief will not apply to empty properties
- The business must not occupy more than two properties anywhere in the UK. If a business occupies no more than two properties and both are in Cheltenham relief will be available in respect of both properties

Relief will not be awarded in the following circumstances

- The relevant property is empty or becomes empty
- The relevant property is not in the rating list on 31st March and 1st April 2017
- The ratepayer occupies the property on or after 1st April 2017
- The ratepayer is in receipt of mandatory, discretionary or CASC rate relief
- The rateable value is 200,000 or more, or increases to 200,000 or more
- New, split or merged properties in the rating list after 1st April 2017
- Where the rates payable increases due to the ratepayer ceasing to qualify for any other reliefs
- Where a business occupies more than two properties anywhere in the UK
- Educational establishments, sports centres, health centres/doctors surgeries and any publicly funded organisation will not be eligible

Relief will be recalculated in the following circumstances

- A change in rateable value in either the 2010 or 2017 rating lists
- The provision of a certificated value for the 2010 or 2017 rating list
- Any other reduction in the rates payable before revaluation support relief is applied
- Where there is an increase in rateable value after 1st April 2017 relief will not be awarded in respect of the rates payable attributable to the increase
- Any of the above conditions cease to be met

Amount of Relief

2017/18	85% of the increase in 2017/18 bills compared to 2016/17 where the increase is over 3% or £50, whichever is the greater
2018/19	4.1 % of the net rates payable after other reliefs
2019/20	1.6% of the net rates payable after other reliefs apart from Retail discount
2020/21	0.35% of the net rates payable before this relief is applied

Section 3: Supporting Small Businesses Relief

Relief will be awarded to ratepayers losing some or all of their small business rate relief due to the 2017 revaluation. The relief will be awarded in line with the detailed guidance issued by the Ministry of Housing, Communities and Local Government and the scheme will end on 31 March 2021. State Aid rules as detailed in section 3 and will apply and the relief will be administered as detailed in section 4.

Section 4: Pubs Discount

As a result of the rateable value limit being removed all pubs now qualify for expanded retail discount. The pub discount for 2020/21 is no longer applicable.

Section 5: Nursery Discount

The Nursery Discount will be awarded in respect of properties occupied by providers on Ofsted's Early Years Register that are subject to business rates in 2020/21. The property must be wholly or mainly used for the provision of the Early Years Foundation Stage.

The discounts will be awarded in line with the detailed guidance issued by the Ministry of Housing, Communities and Local Government. The discount is not subject to state aid and will be administered as detailed in section 4. It will end on 31 March 2021

Section 6: State Aid

The award of Revaluation Support and Supporting Small Business Relief must comply with EU law on State Aid. This law continues to apply after 31 January 2020 when the UK formally left the EU. Businesses applying for, or in receipt of, relief must advise the Council if they have received any other State Aid that exceeds, in total, €200,000 in a 3 year period, under the De Minimis Regulations EC 1407/2013. The total amount of State Aid received includes any other

discretionary business rates reliefs being granted in respect of all properties for which the business is responsible. Further information on State Aid law can be found at <https://www.gov.uk/state-aid>.

Section 7: Administration

- Cheltenham Borough Council will administer the schemes under Section 47 of The Local Government Finance Act 1988 as amended by The Localism Act 2011 and The Non-Domestic Rating (Discretionary Relief) Regulations 1989 (S.I. 1989/1059)
- Relief awarded under the above provisions cannot be awarded in respect of any financial year once after 6 months after the end of that financial year have elapsed.
- Entitlement to Retail Discounts, Revaluation Support, Supporting Small Business Relief and Nursery Discount will be dependent on the qualifying conditions being met.
- Relief awarded in respect of each financial year will end on 31 March in the relevant year
- Relief will be recalculated or cancelled to reflect a change in circumstances, change to entries in Rating List, or any of the conditions cease to be met.
- Decisions relating to the granting of reliefs will be delegated to the staff within the Revenues and Benefits Service
- Reliefs may be granted automatically where information held on the business rate account confirms eligibility in line with the qualifying criteria. In these cases businesses will be asked to notify the council if they are in receipt of other State Aid
- Where sufficient information is not held businesses will be required to complete and submit an application form including a declaration in respect of State Aid
- There is no statutory right of appeal against a decision made by the Council in respect of Retail Discounts, Supporting Small Businesses, Pubs Discount, or Revaluation Support Relief. However, the Council will reconsider the decision if the ratepayer is dissatisfied with the outcome.
- The request for a reconsideration must be made no later than 3 months after the end of the financial year for which relief is being requested.
- The review will be carried out by the Executive Director Finance and Assets in consultation with the Cabinet Member Finance

- If an unsuccessful applicant requests a reconsideration they will need to continue to pay their rates bill. Once the reconsideration has been carried out, the ratepayer will be informed, in writing, of the decision.

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Ministry of Housing,
Communities &
Local Government

Business Rates

Expanded Retail Discount 2020/21: Coronavirus Response –
Local Authority Guidance



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2 April 2020

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About this guidance

1. This guidance is intended to support local authorities in administering the business rates expanded retail discount announced first in a Written Ministerial Statement on 27 January 2020 and expanded in the Budget on 11 March. This guidance applies to England only.
2. This guidance sets out the criteria which central government considers for this purpose to be eligible for the Expanded Retail Discount. The guidance does not replace existing legislation.
3. Enquiries on this measure should be addressed to:
ndr@communities.gov.uk

Introduction

4. The Government announced in the Budget on 29 October 2018 that it would provide a Business Rates Retail Discount, to apply in the years 2019/20 and 2020/21. In response to the coronavirus pandemic, in the Budget on 11 March the Government announced that it would increase the discount to 100% and extend it to include the leisure and hospitality sectors. Following the announcement on 23 March 2020 of further measures to limit the spread of coronavirus, the Government confirmed that some of the exclusions for this relief have been removed, so that retail, leisure, and hospitality properties that will have had to close as a result of the restriction measures will now be eligible for the relief.
5. This relief will apply to occupied retail, leisure and hospitality properties in the year 2020/21. There will be no rateable value limit on the relief.
6. This document provides guidance to authorities about the operation and delivery of the policy.

Expanded Retail Discount

How will the relief be provided?

7. As this is a measure for 2020/21 only, the Government is not changing the legislation relating to the reliefs available to properties. Instead the Government will, in line with the eligibility criteria set out in this 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. 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. Central government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003).

8. Central government will reimburse billing authorities and major precepting authorities for the actual cost to them under the rates retention scheme of the relief that falls within the definitions in this guidance. Local authorities will have completed their NNDR1 for 2020/21 already. Therefore, billing authorities are being asked to provide a further and separate estimate of their likely total cost for providing the 100% extended relief in 2020/21. The Government will provide payments to authorities to cover the local share, as per the usual process.
9. Local authorities will also be asked to provide outturn data on the actual total cost for providing the relief, as per the usual process, via the National Non-Domestic Rate 3 (NNDR3) forms for 2020/21. Any required reconciliations will then be conducted at these points.¹

Which properties will benefit from relief?

10. Properties that will benefit from the relief will be occupied hereditaments that are wholly or mainly being used:
 - a. as shops, restaurants, cafes, drinking establishments, cinemas and live music venues,
 - b. for assembly and leisure; or
 - c. as hotels, guest & boarding premises and self-catering accommodation.
11. We consider shops, restaurants, cafes, drinking establishments, cinemas and live music venues to mean:
 - i. **Hereditaments that are being used for the sale of goods to visiting members of the public:**
 - Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc)
 - Charity shops
 - Opticians
 - Post offices
 - Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
 - Car/caravan show rooms
 - Second-hand car lots
 - Markets
 - Petrol stations
 - Garden centres
 - Art galleries (where art is for sale/hire)

¹ As required in the NNDR3 guidance notes, the former categories of discretionary relief prior to the Localism Act (i.e. charitable/CASC/rural etc. top up and not for profit) should be applied first in the sequence of discretionary reliefs and, therefore, before the retail discount.

ii. Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops, etc)
- Shoe repairs/key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/TV/domestic appliance repair
- Funeral directors
- Photo processing
- Tool hire
- Car hire
- Employment agencies
- Estate agents and letting agents
- Betting shops

iii. Hereditaments that are being used for the sale of food and/or drink to visiting members of the public:

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

iv. Hereditaments which are being used as cinemas

v. Hereditaments that are being used as live music venues:

- Live music venues are hereditaments wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Hereditaments cannot be considered a live music venue for the purpose of business rates relief where a venue is wholly or mainly used as a nightclub or a theatre, for the purposes of the Town and Country Planning (Use Classes) Order 1987 (as amended).
- Hereditaments can be a live music venue even if used for other activities, but only if those other activities (i) are merely ancillary or incidental to the performance of live music (e.g. the sale/supply of alcohol to audience members) or (ii) do not affect the fact that the primary activity for the premises is the performance of live music (e.g. because those other activities are insufficiently regular or frequent, such as a polling station or a fortnightly community event).

- There may be circumstances in which it is difficult to tell whether an activity is a performance of live music or, instead, the playing of recorded music. Although we would expect this would be clear in most circumstances, guidance on this may be found in Chapter 16 of the statutory guidance issued in April 2018 under section 182 of the Licensing Act 2003.²

12. We consider assembly and leisure to mean:

i. Hereditaments that are being used for the provision of sport, leisure and facilities to visiting members of the public (including for the viewing of such activities).

- 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. Hereditaments that are being used for the assembly of visiting members of the public.

- Public halls
- Clubhouses, clubs and institutions

13. We consider hotels, guest & boarding premises and self-catering accommodation to mean:

i. Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business:

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

14. To qualify for the relief the hereditament should be wholly or mainly being used for the above qualifying purposes. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief. For the avoidance of doubt, hereditaments which have closed

² The statutory guidance can be accessed here: <https://www.gov.uk/government/publications/explanatory-memorandum-revised-guidance-issued-under-s-182-of-licensing-act-2003>

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

15. The list set out above is not intended to be exhaustive as it would be impossible to list the many and varied uses that exist within the qualifying purposes. There will also be mixed uses. However, it is intended to be a guide for authorities as to the types of uses that the Government considers for this purpose to be eligible for relief. Authorities should determine for themselves whether particular properties not listed are broadly similar in nature to those above and, if so, to consider them eligible for the relief. Conversely, properties that are not broadly similar in nature to those listed above should not be eligible for the relief.
16. The list below sets out the types of uses that the Government does not consider to be an eligible use for the purpose of this relief. Again, it is for local authorities to determine for themselves whether particular properties are broadly similar in nature to those below and, if so, to consider them not eligible for the relief under their local scheme.

i. Hereditaments that are being used for the provision of the following services to visiting members of the public

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

ii. Hereditaments that are not reasonably accessible to visiting members of the public

17. 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, a precepting authority, or a functional body, within the meaning of the Greater London Authority Act 1999.

How much relief will be available?

18. The total amount of government-funded relief available for each property for 2020/21 under this scheme is 100% of the bill, after mandatory reliefs and, other discretionary reliefs funded by section 31 grants have been applied, excluding those where local authorities have used their wider discretionary relief powers introduced by the Localism Act which are not funded by section 31 grants.³

³ As required in the NNDR3 guidance notes, the former categories of discretionary relief prior to the localism act (i.e. charitable/CASC/rural etc. top up and not for profit) should be applied first in the sequence of discretionary reliefs and, therefore, before the retail discount.

19. 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 relief to be granted for a chargeable day for a particular hereditament in the financial year 2020/21:

Amount of relief to be granted = V , where

V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any other discretionary reliefs, excluding those where local authorities have used their discretionary relief powers introduced by the Localism Act which are not funded by section 31 grants.⁴

20. This should be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.
21. Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties.

State Aid

22. The Government's assessment is that, given the impact of Covid-19 in the sectors receiving the relief, the business rates expanded retail, leisure and hospitality discount 2020-21 is not a state aid.
23. The Government has considered this matter in discussions with the European Commission and is content with this analysis following those discussions.
24. Local Authorities should apply the relief to all eligible properties.

Splits, mergers, and changes to existing hereditaments

25. The discount should be applied on a day to day basis using the formula set out above. A new hereditament created as a result of a split or merger during the financial year, or where there is a change of use, should be considered afresh for the discount on that day.

⁴ As required in the NNDR3 guidance notes, the former categories of discretionary relief prior to the localism act (i.e. charitable/CASC/rural etc. top up and not for profit) should be applied first in the sequence of discretionary reliefs and, therefore, before the retail discount.

Annex A: Calculation examples for 2020/21

The Expanded Retail discount is always calculated after mandatory relief and other discretionary reliefs funded by section 31 grant. The multiplier used here is provisional.

Example 1: An occupied shop with a rateable value of £40,000

Gross rates (before any reliefs) = £40,000 x 0.499:	= <u>£19,960</u>
Expanded Retail Discount (100%):	= -£19,960
Rates due (after Expanded Retail Discount):	= £nil

Example 2: An occupied shop with a rateable value of £100,000

Gross rates (before any reliefs) = £100,000 x 0.512:	= <u>£51,200</u>
Expanded Retail Discount (100%):	= -£51,200
Rates due (after Expanded Retail Discount):	= £nil

Example 3: An occupied charity shop with a rateable value of £40,000

Gross rates (before any reliefs) = £40,000 x 0.512	= £20,480
Net rates after charity relief:	= <u>£4,096</u>
Expanded Retail Discount (100%):	= -£4,096
Rates due (after charity relief and Expanded Retail Discount):	= £nil

Example 4: An occupied shop with a rateable value of £13,500 eligible for Small Business Rate Relief (SBRR)

Gross rates (before any reliefs) = £13,500 x 0.499	= £6,737
Net rates after SBRR (50%):	= <u>£3,368</u>
Expanded Retail Discount (100%):	= -£3,368
Rates due (after SBRR and Expanded Retail Discount):	= £nil

Example 5: An occupied shop with a rateable value of £10,000 eligible for Small Business Rate Relief (SBRR)

Gross rates (before any reliefs) = £10,000 x 0.499	= £4,990
Net rates after SBRR (100%):	= £nil
Rates bill is nil and, therefore, no Expanded Retail Discount applies	

Example 6: An occupied shop with a rateable value of £40,000 eligible for Transitional Relief (TR) and receiving Revaluation Discretionary Relief

Gross rates (before any reliefs) = £40,000 x 0.499	= £19,960
Transitional Relief (say):	= -£1,500
Net rates after Transitional Relief:	= £18,460
Net rates after Revaluation Discretionary Relief (say):	= <u>£15,460</u>
Expanded Retail Discount (100%):	= -£15,460
Rates due (after TR, revaluation relief and Expanded Retail Discount):	= £nil

Example 7: An occupied shop with a rateable value of £18,000 previously paying nothing prior to revaluation 2017 and eligible for Supporting Small Businesses Relief (SSB)

Gross rates (before any reliefs) = £18,000 x 0.499	= £8,982
Supporting Small Businesses Relief (say):	= -£6,582
Net rates after SSB:	= <u>£2,400</u>
Expanded Retail Discount (100%):	= -£2,400
Rates due (after SSB and Expanded Retail Discount):	= £nil

Example 8: A shop with a rateable value of £40,000 (example 1) but only occupied until 30 September 2020

Gross rates (before any reliefs) = £40,000 x 0.499	= £19,960
Expanded Retail Discount (100%):	= -£19,960
Rates due p.a. (after Expanded Retail Discount):	= <u>£nil</u>
Daily charge while occupied :	= £nil per day
Occupied charge 1/4/20 to 30/9/20 (183 days):	= £nil
Unoccupied property relief (1/10/20 to 31/12/20):	= £nil
Unoccupied property rates (1/1/21 to 31/3/21), £40,000 x 0.512 x 90/365	= £5,049
Rates due for the year (after Expanded Retail Discount):	= £5,049

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Ministry of Housing,
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Nursery Discount 2020/21: Coronavirus Response – Local
Authority Guidance



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April 2020

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About this guidance

1. This guidance is intended to support local authorities in administering the business rates Nursery Discount announced on 18 March 2020. This guidance applies to England only.
2. This guidance sets out the criteria which central government considers for this purpose to be eligible for the Nursery Discount. The guidance does not replace existing legislation.
3. Enquiries on this measure should be addressed to:
ndr@communities.gov.uk

Introduction

4. As an extraordinary response to the coronavirus, the Government announced a business rates Nursery Discount on 18 March 2020.
5. This relief will apply to hereditaments occupied by providers on Ofsted's Early Years Register and wholly or mainly used for the provision of the Early Years Foundation Stage and which are subject to business rates in the year 2020/21. There will be no rateable value limit on the relief. Where necessary, Ofsted will provide local authorities access to the Ofsted Early Years Register to help local authorities identify eligible properties.
6. This document provides guidance to authorities about the operation and delivery of the policy.

Nursery Discount

How will the relief be provided?

7. As this is a measure for 2020/21 only, the Government is not changing the legislation relating to the reliefs available to properties. Instead the Government will, in line with the eligibility criteria set out in this 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. 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. Central government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003).
8. Central government will reimburse billing authorities and major precepting authorities for the actual cost to them under the rates retention scheme of the relief that falls within the definitions in this guidance. Local authorities will have completed their NNDR1 for 2020/21 already. Therefore, billing authorities will

shortly be asked to provide a further and separate estimate of their likely total cost for providing the 100% Nursery Discount in 2020/21. The Government will provide payments to authorities to cover the local share, as per the usual process.

9. Local authorities will also be asked to provide outturn data on the actual total cost for providing the relief, as per the usual process, via the National Non-Domestic Rate 3 (NNDR3) forms for 2020/21. Any required reconciliations will then be conducted at these points.¹

Which properties will benefit from relief?

10. Properties that will benefit from the relief will be hereditaments occupied by providers on Ofsted's Early Years Register and wholly or mainly used for the provision of the Early Years Foundation Stage.
11. To qualify for the relief the hereditament should be wholly or mainly being used for the above qualifying purpose. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief. For the avoidance of doubt, hereditaments which have closed temporarily due to the government's advice on COVID-19 should be treated as occupied for the purposes of this relief.
12. Billing authorities which are unitary authorities, London boroughs or metropolitan districts should work with their education teams to identify eligible hereditaments in their area. We strongly urge county councils to assist district councils in identifying eligible properties.
13. 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, a precepting authority, or a functional body, within the meaning of the Greater London Authority Act 1999.

How much relief will be available?

14. The total amount of government-funded relief available for each property for 2020/21 under this scheme is 100% of the bill, after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, excluding those where local authorities have used their wider discretionary relief powers introduced by the Localism Act which are not funded by section 31 grants.²
15. 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

¹ As required in the NNDR3 guidance notes, the former categories of discretionary relief prior to the Localism Act (i.e. charitable/CASC/rural etc. top up and not for profit) should be applied first in the sequence of discretionary reliefs and, therefore, before the nursery discount.

² As required in the NNDR3 guidance notes, the former categories of discretionary relief prior to the localism act (i.e. charitable/CASC/rural etc. top up and not for profit) should be applied first in the sequence of discretionary reliefs and, therefore, before the nursery discount.

relief to be granted for a chargeable day for a particular hereditament in the financial year 2020/21:

Amount of relief to be granted = V , where

V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any other discretionary reliefs, and those where local authorities have used their discretionary relief powers introduced by the Localism Act which are not funded by section 31 grants.³

16. This should be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.
17. Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties.

State Aid

18. The Government's assessment is that, given the impact of COVID-19 in the sector receiving the relief that the nursery discount 2020/21 is not a State aid. The Government has considered this matter in discussions with the European Commission and is content with this analysis following those discussions. Local Authorities should provide the relief to all eligible properties.

Splits, mergers, and changes to existing hereditaments

19. The discount should be applied on a day to day basis using the formula set out above. A new hereditament created as a result of a split or merger during the financial year, or where there is a change of use, should be considered afresh for the discount on that day.

³ As required in the NNDR3 guidance notes, the former categories of discretionary relief prior to the localism act (i.e. charitable/CASC/rural etc. top up and not for profit) should be applied first in the sequence of discretionary reliefs and, therefore, before the nursery discount.

Annex A: Calculation examples for 2020/21

The Nursery discount is always calculated after mandatory relief and other discretionary reliefs funded by section 31 grant. The multiplier used here is provisional.

Example 1: An occupied nursery with a rateable value of £40,000

Gross rates (before any reliefs) = £40,000 x 0.499:	= <u>£19,960</u>
Nursery Discount (100%):	= -£19,960
Rates due (after Nursery Discount):	= £nil

Example 2: An occupied nursery with a rateable value of £100,000

Gross rates (before any reliefs) = £100,000 x 0.512:	= <u>£51,200</u>
Nursery Discount (100%):	= -£51,200
Rates due (after Nursery Discount):	= £nil

Example 3: An occupied nursery run by a charity with a rateable value of £40,000

Gross rates (before any reliefs) = £40,000 x 0.512	= £20,480
Net rates after charity relief:	= <u>£4,096</u>
Nursery Discount (100%):	= -£4,096
Rates due (after charity relief and Nursery Discount):	= £nil

Example 4: An occupied nursery with a rateable value of £13,500 eligible for Small Business Rate Relief (SBRR)

Gross rates (before any reliefs) = £13,500 x 0.499	= £6,737
Net rates after SBRR (50%):	= <u>£3,368</u>
Nursery Discount (100%):	= -£3,368
Rates due (after SBRR and Nursery Discount):	= £nil

Example 5: An occupied nursery with a rateable value of £10,000 eligible for Small Business Rate Relief (SBRR)

Gross rates (before any reliefs) = £10,000 x 0.499	= £4,990
Net rates after SBRR (100%):	= £nil
Rates bill is nil and, therefore, no Nursery Discount applies	

Example 6: An occupied nursery with a rateable value of £40,000 eligible for Transitional Relief (TR) and receiving Revaluation Discretionary Relief

Gross rates (before any reliefs) = £40,000 x 0.499	= £19,960
Transitional Relief (say):	= -£1,500
Net rates after Transitional Relief:	= £18,460
Net rates after Revaluation Discretionary Relief (say):	= <u>£15,460</u>
Nursery Discount (100%):	= -£15,460
Rates due (after TR, revaluation relief and Nursery Discount):	= £nil

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