

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.

Financial implications	<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>
Legal implications	<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>
HR implications (including learning and organisational development)	There are none associated with this report
Key risks	See appendix 1
Corporate and community plan Implications	None
Environmental and climate change implications	None
Property/Asset Implications	<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.

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Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Updated Business Rates Relief Schemes 2020/21 3. Retail Discount guidance 4. 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 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											