

Cheltenham Borough Council
Cabinet – 13 July 2021
Local Discretionary Business Rates Relief Schemes

Accountable member	Councillor Peter Jeffries, Cabinet Member Finance and Assets
Accountable officer	Jayne Gilpin, Head of Revenues and Benefits
Ward(s) affected	All
Key/Significant Decision	Yes
Executive summary	<p>On 3 March 2021, the Government announced that the period of 100% business rates relief in the form of the Expanded Retail Discount and Nursery Discount awarded in 2020/21 would be extended to 30 June 2021 then reduce to 66% from 1 July 2021 until 31 March 2022 when they will cease.</p> <p>The reliefs have been awarded to businesses in accordance with Government guidance using the Council's discretionary powers. Both reliefs will be fully funded by the Government.</p>
Recommendations	<p>Cabinet is recommended to</p> <ol style="list-style-type: none"> 1. Approve the business rates Expanded Retail Discount scheme for 2021/22 as detailed in appendix 2 and the detailed guidance in appendix 4 2. Approve the Nursery Discount scheme for 2021/22 in line with appendix 3 and the detailed guidance in appendix 4 3. Authorises the Head of Revenues and Benefits in consultation with the Cabinet Member Finance and Assets to implement any further changes in 2021/22 made by the Government to the reliefs detailed in appendix 2 4. Due to the volume of cases, delegate decisions relating to the application of these reliefs to the Head of Revenues and Benefits and officers in the Business Rates team. In the case of a dispute reconsideration is to be made by the Executive Director Finance and Assets.

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 paul.jones@cheltenham.gov.uk, 01242 775154</p>
Legal implications	<p>The Council has statutory power to award discretionary rate relief under S47 of the Local Government Finance Act 1988 (as amended by S69 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: legalservices@onelegal.org.uk 01684 272012</p>
HR implications (including learning and organisational development)	<p>There are none associated with this report</p>
Key risks	<p>See appendix 1</p>
Corporate and community plan Implications	<p>None</p>
Environmental and climate change implications	<p>None</p>
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. Introduction

- 1.1** As part of its support measures due to the coronavirus pandemic the Government provided 100% business rates discounts to eligible retail, hospitality, leisure and nursery businesses in 2020/21.
- 1.2** In the budget on 3 March 2021 the Government announced that the Expanded Retail Discount for retail, hospitality and leisure businesses and the Nursery Discount would continue in 2021/22. The reliefs will be 100% until 30 June 2021. They will then reduce to 66%, subject to caps, from 1 July 2021 until 31 March 2022 when they will end.
- 1.3** As the reliefs are a temporary measure legislation is not being amended. Councils are expected to use their discretionary powers under section 47 of the Local Government Finance Act 1988 to adopt a scheme using the detailed guidance provided. Details of the scheme are in appendix 2. The detailed guidance for Expanded Retail Discount is in appendix 3 and Nursery Discount in appendix 4
- 1.4** Due to the timing of the Budget announcement bills were issued in March 2021 to all businesses already in receipt of the Expanded Retail Discount and Nursery Discount with 100% discount for the full 2021/22 year. Software changes were made to the business rates billing system so that revised bills could be issued in June 2021.
- 1.5** The Government will fully reimburse the Council for the local share of expanded retail and nursery discounts provided they are awarded to eligible businesses in accordance with the guidance provided.

2. Expanded Retail Discount

- 2.1** The expanded retail discount in 2021/22 can be awarded to eligible business rate payers occupying properties that are wholly or mainly being used as:
 - shops, restaurants, cafes, drinking establishments, cinemas and live music venues,
 - for assembly and leisure; or
 - as hotels, guest & boarding premises and self-catering accommodation
- 2.2** This discount is 100% of the business rates payable from 1 April to 30 June 2021, reduced to 66% from 1 July 2021 to 31 March 2022.
- 2.3** A list of the types of retail purposes is in the guidance in appendix 3
- 2.4** To qualify for the expanded retail discount the property must be wholly or mainly used for a qualifying purpose detailed in the guidance. Properties which are occupied but not wholly or mainly used for the qualifying purposes will not be eligible for the discount. Business ratepayers that temporarily closed due to Coronavirus restrictions are eligible for the discount.
- 2.5** The 66% discount for the period 1 July 2021 to 31 March 2022 is subject to cash caps. Business ratepayers that were legally required to close at 5 January 2021 may claim expanded retail discount of up to £2million across all eligible properties in England. Business ratepayers able to open at 5 January 2021 may claim the discount of up to £105,000 across all eligible properties in England.
- 2.6** 2021/22 Business rate bills were issued in March 2021 to businesses with the 100% discount for the full financial year. Revised bills were issued on 11 June 2021 with the

reduced discount and instalments payable from July.

- 2.7 Where businesses were identified as likely to be affected by the caps the discount has been cancelled from 1 July. These businesses can reapply for the discount provided they verify that the cap will not be exceeded.
- 2.8 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, to a major or local precepting authority
- 2.9 Some businesses, including some of the large supermarket chains have declined the discount altogether in 2021/22 and are paying the full business rates for the year.

3. Nursery Discount

- 3.1 The 100% discount in 2021/22 applies to properties occupied by business rate payers that are childcare providers on Ofsted's Early Years Register. The property must be subject to business rates and be wholly or mainly used for the provision of the Early Years Foundation Stage.
- 3.2 The full guidance provided is in appendix 4
- 3.3 This discount is 100% of the business rates payable from 1 April to 30 June 2021, reduced to 66% from 1 July 2021 to 31 March 2022.
- 3.4 Nurseries were able to open at 5 January 2021 so business ratepayers may claim the discount across all eligible properties in England for the period 1 July 2021 to 31 March 2022 of up to £105,000.
- 3.5 2021/22 Business rate bills were issued in March 2021 to businesses with the 100% discount for the full financial year. Revised bills were issued on 11 June 2021 with the reduced discount and instalments payable from July. No nursery businesses were identified as likely to be affected by the caps.
- 3.6 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, to a major or local precepting authority

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 and Assets 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 are reported to the Government periodically.

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Appendices	<ol style="list-style-type: none">1. Risk Assessment2. Business Rates Relief Schemes 2021/223. 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 clause 69 of The 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	29/06/2021	2	1	2	Accept	Cabinet Approves the report recommendations	29/06/2021	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