

Cheltenham Borough Council
Cabinet – 05 April 2022
Discretionary Business Rates Reliefs and Council Tax
Energy Rebate

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>The Government has announced various business rate relief schemes to be awarded in 2022/23</p> <ul style="list-style-type: none"> • In the 2021 Autumn statement a business rates relief scheme for retail hospitality and leisure businesses and the extension of the Transitional Relief and Supporting Small Business Relief scheme was announced. • The COVID-19 Additional Relief Fund was announced on 15 December 2021 to support business rate payers affected by COVID-19 but not eligible for the previous Covid relief scheme. • Legislation is not being changed and the Council is expected to use discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended) to grant these reliefs. The reliefs are fully funded by the Government provided they are awarded in accordance with the guidance. <p>On 3 February 2022 the Government announced a council tax energy rebate scheme as part of its measures to support households with rising energy costs. The announcement included a discretionary fund to support other energy bill payers suffering financial hardship due to rising energy costs but not eligible under the main scheme.</p>
Recommendations	<p>Cabinet is recommended to</p> <ol style="list-style-type: none"> 1. Approve the business rates Retail, Hospitality and Leisure Relief Scheme and the Extension of Transitional Relief and Supporting Small Business Relief Scheme for 2022/23 as detailed in appendix 2 2. Approve the COVID-19 Additional Relief Fund (CARF) Scheme as detailed in appendix 3 3. Authorises the Executive Director Finance and Assets in consultation with the Cabinet Member Finance and Assets, to determine levels of relief for the COVID-19 Additional

Relief Fund (CARF) scheme

- 4. Authorises the Head of Revenues and Benefits in consultation with the Cabinet Member Finance and Assets to implement any changes to the reliefs detailed in appendix 2 and 3 as required by Government or to ensure the successful operation of the schemes**
- 5. 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.**
- 6. Authorises the Executive Director Finance and Assets in consultation with the Cabinet Member Finance and Assets, to determine a Discretionary Council Tax Energy Rebate Scheme**

Financial implications	<p>As detailed within the report and appendices central government is providing funding for the business rates relief schemes and expects council to use discretionary powers to award reliefs to businesses in line with guidance provided. The proposal to set award levels for the COVID19 Additional Relief Schemes will ensure the full amount of funding can be allocated efficiently.</p> <p>The Government has also provided funding for a discretionary council tax energy rebate scheme (in addition to funding for the statutory council tax energy rebate scheme). Ensuring the latest Government guidance is taken in to account and working with the other Gloucestershire districts, the Council aims to finalise a scheme that will ensure this does not become a postcode lottery.</p> <p>The Government will also provide funding to cover administration costs for each of the schemes referred to in this report although the amounts have not yet been confirmed.</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: Gemma Bell, gemma.bell@cheltenham.gov.uk</p>

1. Introduction

- 1.1 The purpose of this report is to seek approval for temporary business rate relief schemes detailed in appendices 2 and 3.
- 1.2 As the schemes are a temporary measure, the Government is not changing the legislation. Instead, local authorities are expected to use their discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended).
- 1.3 Funding for the schemes is being provided by Government.
- 1.4 Approval is being sought to make changes to the relief schemes as a result of changes to Government guidance or to ensure available funding is allocated and the schemes operate successfully.
- 1.5 On 3 February 2022 the Government announced support measures to help households with rising energy prices. This included a £150 council tax energy rebate payment for households that are liable for council tax in Bands A to D in England.
- 1.6 The Government is also providing Councils with discretionary funding to support energy bill payers not eligible for the main scheme.
- 1.7 Approval is being sought to determine the scheme and make any necessary changes due to Government guidance or to ensure available funding is allocated to residents.

2. Retail Hospitality and Leisure Relief

- 2.1 The 2022/23 Retail, Hospitality and Leisure scheme provides eligible retail, hospitality and leisure businesses with 50% relief of the chargeable business rates liability.
- 2.2 Businesses eligible for the relief are those occupying properties that are wholly or mainly used as:
 - shops, restaurants, cafes, drinking establishments, cinemas and live music venues,
 - assembly and leisure; or
 - as hotels, guest & boarding premises and self-catering accommodation
- 2.3 The Relief is being awarded in line with the guidance provided by the Department for Levelling Up, Housing and Communities (DLUHC) and appendix 2.
- 2.4 The relief is subject to a cash cap which means that Businesses may claim the relief up to a limit of £110,000 per business across all eligible properties in England. No business ratepayer in any circumstances can exceed the £110,000 cap.
- 2.5 The relief was automatically included in the business rate bills 2022/23 for local businesses unlikely to be affected by the cash cap or subsidy control limits.
- 2.6 Forms have been issued to other businesses that might be eligible. Where businesses returned forms confirming the cap and subsidy limits will not be exceeded, 2022/23 bills have been issued including the relief.

3. Extended Transitional Relief and Supporting Small Business Relief

- 3.1** The Transitional Relief scheme and Supporting Small Business Relief schemes introduced to help those ratepayers who were faced with higher business rate bills as a result of the 2017 revaluation.
- 3.2** The 2017 valuation period was due to end on 31 March 2022 but due to COVID-19 the 2022 revaluation has been deferred until 2023. The extended discretionary schemes ensure that a small number of ratepayers that would otherwise face a significant increase in their rates bill for 2022/23 continue to receive support until 31 March 2023, when the 2017 valuation period is now due to end.
- 3.3** Businesses are eligible for the Extended Transitional Relief and Supporting Small Business Relief based on the relief they received in 2021/22. The relief has been awarded on the relevant business rate bills for 2022/23 issued in March 2022.
- 3.4** Relief has been awarded in line with the guidance provided by the Department for Levelling Up, Housing and Communities (DLUHC) and appendix 2.

4. COVID-19 Additional Relief Fund

- 4.1** Following an announcement in March 2021, on 15 December 2021 the Government published guidance on the operation of the Covid-19 Additional Relief Fund (CARF) and details of the funding allocation for each local authority.
- 4.2** The aim of the new discretionary relief scheme is to provide support to business ratepayers who were not eligible for the previous Covid relief schemes, were adversely affected by the pandemic and have been unable to adequately adapt.
- 4.3** Cheltenham has received £2,583,377.00
- 4.4** The Government is not changing the legislation. Instead, funding is being provided to local authorities to use their discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended).
- 4.5** The Council is able to implement its own scheme but the Government has provided guidance with certain conditions that must be included if relief is to be awarded using the government funding.
- 4.6** The conditions, which have been included in the scheme at appendix 3 are:
- Relief can only be awarded in respect of 2021/22 business rate liabilities retrospectively
 - Relief must not be awarded in respect of empty properties
 - Relief must not be awarded to businesses receiving or eligible for the expanded retail discount or nursery discount.
 - Relief must be directed at businesses that have been adversely affected by the pandemic and have been unable to adequately adapt to the impact.
- 4.7** The scheme at appendix 3 details the eligibility criteria and how the scheme will be administered.
- 4.8** Although the amount of funding is a substantial sum it is necessary to limit the range of businesses able to apply for the relief.
- 4.9** Modelling has been undertaken to identify businesses that could potentially be eligible. A

number of business types and sectors such as public sector organisations, utility assessments and also professional services, where business can largely be conducted by staff working at home, are being excluded. The full list is in annexe A of appendix 3.

- 4.10 Businesses will be required to apply for the relief and provide supporting information so that it can be determined how they have been affected by the pandemic.
- 4.11 The scheme will be open for applications from 6 April 2022 until 31 May 2022.
- 4.12 Some local authorities have reported a slow or poor uptake for this relief scheme. To ensure that the funding is allocated in full to eligible businesses the level of relief available has not been set in the policy.
- 4.13 Approval is sought for the Cabinet Member Finance and Assets in consultation with the Executive Director Finance and Assets to determine relief levels once all applications have been assessed.
- 4.14 Levels may be a percentage of rates payable, e.g. 50%, or a fixed sum and it may be necessary to set a cap to limit the maximum amount to any one business or property.
- 4.15 In determining the levels of relief consideration will be given to the impact of the pandemic on certain business sectors, rateable value ranges and the amount of business rates due to be paid.

5. Discretionary Council Tax Energy Rebate Payment Scheme

- 5.1 Cheltenham has been allocated discretionary funding of £162,450 to support those suffering financial hardship as a result of the rising cost of living, but not eligible for the main council tax energy rebate scheme.
- 5.2 Councils can decide locally how best to use the funding. Further guidance is expected from the Government and discussions are taking place between the six Gloucestershire Districts to agree a common approach to schemes across the county.
- 5.3 Although details are yet to be finalised discretionary funding support will be targeted at those on low incomes or in receipt of welfare benefits.
- 5.4 Approval is being sought for the final scheme to be determined by the Executive Director of Finance and Assets in consultation with the Cabinet Member Finance and Assets.

6. Consultation and feedback

- 6.1 The business rates reliefs in appendix 2 are being awarded in line with Government guidance and the Council not able to change the eligibility criteria
- 6.2 Discussions have taken place between the six Gloucestershire Districts and there is some commonality regarding the CARF scheme.
- 6.3 Discussions are taking place between the six Gloucestershire Districts on the Discretionary Council Tax energy Rebate scheme so that as far as possible, final schemes when approved are aligned. The Leader of the Council and Cabinet Member Finance and Assets were consulted on this approach.

7. Performance management – monitoring and review

- 7.1 The number of businesses and residents benefitting from the schemes referred to in this

report and total amount awarded will be monitored by the Head of Revenues and Benefits.

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Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Retail Hospitality and Leisure Relief and the extension of Transitional Relief and Supporting Small Business Relief 2022/23Retail Discount guidance 3. COVID-19 Additional Relief Fund Scheme
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 2. Guidance document on the Retail, Hospitality and Leisure Relief scheme https://www.gov.uk/government/publications/business-rates-guidance-202223-retail-hospitality-and-leisure-relief-scheme 3. Guidance document on the Extension of Transitional Relief and Supporting Small Business Relief Schemes https://www.gov.uk/government/publications/business-rates-guidance-extension-of-transitional-relief-and-supporting-small-business-relief-for-small-and-medium-properties 4. Guidance document on the COVID-19 Additional Relief Fund (CARF) https://www.gov.uk/government/publications/covid-19-additional-relief-fund-carf-local-authority-guidance

Risk Assessment

Appendix 1

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 recommendations in this report are not approved funding will not be distributed to businesses and residents in need of support which could cause reputational damage to the Council	Jayne Gilpin	18/03/22	2	1	2	Accept	Cabinet Approves the report recommendations	05/04/22	Jayne Gilpin	