

# Cheltenham Borough Council

## Retail Hospitality and Leisure Relief and the extension of Transitional Relief and Supporting Small Business Relief 2022/23

**Cabinet 05 April 2022**

### **1 Introduction**

- 1.1 On 27 October 2021, in the Autumn Statement, the Government announced the introduction of a new Business Rate Relief scheme for retail, hospitality and leisure properties and the extension of Transitional relief and Supporting Small Business relief for small and medium sized properties
- 1.2 As these relief are a temporary measure for 2022/23 only, 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) to grant relief in accordance with the guidance provided.
- 1.3 The Government will fully reimburse Councils for the cost of relief provided it is awarded in line with the guidance.
- 1.4 This document sets out the Council's policy regarding the Retail Hospitality and Leisure Relief Scheme and the extension of Transitional relief and Supporting Small Business relief for small and medium sized properties for the financial year 2022/23.

### **2 Retail Hospitality and Leisure Relief Scheme**

- 2.1 The 2022/23 Retail, Hospitality and Leisure Relief scheme will provide eligible occupied, retail, hospitality and leisure businesses with 50% relief of the chargeable Business Rates liability. Businesses may claim the relief up to a limit of £110,000 per business across all eligible properties in England.
- 2.2 Properties that are eligible for Retail, Leisure and Hospitality Relief will be occupied and wholly or mainly used as shops, restaurants, cafes, drinking establishments, cinemas, live music venues, assembly for leisure, hotels, guest and boarding premises or self-catering accommodation.
- 2.3 The relief will be awarded to business ratepayers that meet the eligibility criteria in the guidance provided by the Department for Levelling Up, Housing and Communities (DLUHC). The full guidance is available here <https://www.gov.uk/government/publications/business-rates-guidance-202223-retail-hospitality-and-leisure-relief-scheme>.
- 2.4 The level of relief is 50% to be applied after mandatory reliefs and other discretionary reliefs. There is no rateable value threshold limit.

- 2.5 The relief is subject to a cash cap preventing any business from receiving more than £110,000 of relief across all of its properties in England. Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties up to the maximum £110,000 cash cap, per business. Where a business has a qualifying connection with another business it will be treated as one for the purposes of this cash cap.
- 2.6 Businesses will be asked to declare that they will not exceed the cash cap if awarded relief.
- 2.7 The Retail Hospitality and Leisure Relief Scheme in 2022/23 is likely to amount to subsidy. Any relief provided under this scheme will need to comply with the UK's domestic and international subsidy control obligations.
- 2.8 Business ratepayers, on a self-assessment basis, will be asked to declare that by receiving the relief they will not exceed subsidy limits.

### **3 Extension of Transitional Relief and Supporting Small Business Relief Schemes**

- 3.1 The Transitional Relief and Supporting Small Business Relief schemes were introduced in 2017 to help those ratepayers who were faced with higher business rate bills as a result of the 2017 revaluation and came to an end on 31 March 2022.
- 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 from 01 April 2022 continue to receive support until 31 March 2023 when the 2017 valuation period will end.
- 3.3 The extended Transitional Relief scheme will restrict increases in bills to 15% for properties with a rateable value of up to £20,000 and 25% for properties with a rateable value up to and including £100,000.
- 3.4 The Supporting Small business will be percentage cap of 15% plus inflation or a cash value increase of £600 if greater.
- 3.5 The relief will be awarded to business ratepayers that meet the eligibility criteria in the guidance provided by the Department for Levelling Up, Housing and Communities (DLUHC). The full guidance is available here <https://www.gov.uk/government/publications/business-rates-guidance-extension-of-transitional-relief-and-supporting-small-business-relief-for-small-and-medium-properties>.
- 3.6 To be eligible for the extended relief in 2022/23 businesses must have been receiving the reliefs in 2021/22. Eligible businesses will automatically receive the relief on their 2022/23 bill.
- 3.7 The extension of Transitional Relief and Supporting Small Business Relief in 2022/23 is likely to amount to subsidy. Any relief provided under this scheme will need to comply with the UK's domestic and international subsidy control obligations.

- 3.8 Business ratepayers likely to exceed subsidy control limits will be asked, on a self-assessment basis, to declare that by receiving the relief they will not exceed subsidy limits.

#### **4 Administration**

- 4.1 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).
- 4.2 Eligibility for reliefs will be determined in accordance with the guidance provided by the Department for Levelling Up, Housing and Communities (DLUHC).
- 4.3 Reliefs under the provisions in this policy will be awarded in respect of the financial year 2022/23 only and they will end on 31 March 2023. Retrospective awards of relief cannot be made after 30 September 2023.
- 4.4 Reliefs will be recalculated or cancelled to reflect any change in circumstances that affect entitlement, changes to entries in Rating List, or where any of the conditions cease to be met.
- 4.5 Decisions relating to the granting of relief are to be delegated to the staff within the Revenues and Benefits Service.
- 4.6 Relief may be granted automatically where information held on the business rate account confirms eligibility in line with the qualifying criteria and that cash caps or subsidy control limits will not be exceeded. In these cases businesses will be asked to notify the council if they are not entitled.
- 4.7 Where reliefs have been awarded businesses must notify the Council within 21 days of any change of circumstances that could affect their entitlement to the relief.
- 4.8 Businesses will be required to provide any information requested to support their application for a relief.
- 4.9 There is no statutory right of appeal against a decision made by the Council in respect of extension of Transitional Relief and Supporting Small Business Relief for small and medium sized properties. However, the Council will reconsider the decision if the ratepayer is dissatisfied with the outcome.
- 4.10 The request for a reconsideration must be made within 28 days of the business or agent acting on behalf of the business being issued with an award decision
- 4.11 The review will be carried out by the Executive Director Finance and Assets
- 4.12 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.
- 4.13 Cheltenham Borough Council will not tolerate any business falsifying their records or providing false evidence. A ratepayer who falsely applies for any relief, or provides false

4.14 information or makes false representation in order to gain relief will face prosecution and any relief awarded will be revoked.