

Cheltenham Borough Council

Cabinet – 7 March 2023

Discretionary Business Rates Reliefs

Accountable member:

Councillor Peter Jeffries, Cabinet Member Finance and Assets

Accountable officer:

Jayne Gilpin, Head of Revenues and Benefits

Accountable scrutiny committee:

n/a

Ward(s) affected:

All

Key/Significant Decision:

Yes

Executive summary:

In the Autumn statement 2022 the Government announced the following business rate reliefs to be awarded in 2023/24

- Retail, Hospitality and Leisure (RHL) relief scheme providing a 75% discount for eligible retail hospitality and leisure businesses
- Supporting Small Business (SSB) relief scheme which will cap bill increases for any business losing eligibility for Small Business Rate Relief

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

Recommendations:

1. To approve the Retail, Hospitality and Leisure relief scheme and the 2023 Supporting Small Business Relief Scheme as detailed in appendix 2

2. **To authorise the Head of Revenues and Benefits in consultation with the Cabinet Member Finance, Assets and Regeneration to implement any changes to the reliefs detailed in appendix 2 as required by Government or to ensure the successful operation of the schemes**
 3. **Due to the volume of cases, to 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, Assets and Regeneration**
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1. Implications

1.1. Financial implications

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 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

Signed off by: Gemma Bell, Director of Finance and Assets, gemma.bell@cheltenham.gov.uk

1.2. Legal implications

Under Section 47 of the Local Government Finance Act 1988 (as amended by S69 of the Localism Act 2011) the Council as the billing authority has the discretion to grant locally determined business rate discounts

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

Signed off by: One Legal, legalservices@onelegal.org.uk

1.3. HR implications

There are no HR implications arising from the content of the report

Signed off by: Kate Wilkins, HR Business Partner, kate.wilkins@publicagroup.uk

1.4. Environmental and climate change implications

There are no environmental and climate change implicates arising from the content of the

report or recommendations.

Signed off by: Laura Tapping officer, Climate Emergency Programme Officer,
laura.tapping@cheltenham.gov.uk

1.5. Corporate policy framework implications

The proposals in this report don't directly contribute to Corporate Plan Priorities

Implementing the relief schemes will ensure that eligible businesses pay reduced business rate bills.

Signed off by: Richard Gibson, Head of communities, wellbeing and partnerships
richard.gibson@cheltenham.gov.uk

2. Promoting equality and reducing discrimination

2.1. Not applicable

3. Performance management – monitoring and review

3.1. 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.

4. Introduction

4.1. In the Autumn statement 2022 the Government announced new business rate relief schemes to be awarded in 2023/24.

4.2. As the schemes are a temporary measure, the Government is not changing the legislation. Councils are expected to use their discretionary powers under section 47 of the Local Government Finance Act 1988, as amended, to adopt a scheme using the detailed guidance provided. Details of the schemes are in appendix 2.

4.3. The Government will fully reimburse the Council for the local share of reliefs awarded to eligible businesses in accordance with the guidance provided.

4.4. 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.

5. Retail, Hospitality and Leisure Relief 2023/24

5.1. The 2023/24 Retail, Hospitality and Leisure relief scheme provides eligible retail, hospitality and leisure businesses with 75% discount against the chargeable business rates liability.

5.2. The relief is subject to a cash cap meaning that no business can receive more than £110,000 worth of relief across all eligible properties in England.

- 5.3. This relief amounts to a subsidy and therefore the Council must comply with subsidy control regulations. This limits the amount of subsidy any business can receive in a 3 year period.
- 5.4. 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
- 5.5. The relief will automatically be included in the business rate bills 2023/24 to approximately 450 local businesses unlikely to be affected by the cash cap or subsidy control limits.
- 5.6. Forms have been issued to 40 other businesses that might be eligible. Where businesses return forms confirming the cash cap and subsidy limits will not be exceeded, bills are being issued including the relief.
- 5.7. Approval is being sought to adopt the scheme as detailed in appendix 2 to make any changes necessary due to Government guidance or to ensure the schemes operate successfully.

6. 2023 Supporting Small Business Relief

- 6.1. 2023 Supporting Small Business (SSB) relief will cap bill increases at £600 for businesses that, whose business property's bill is going up after the next revaluation on 1st April 2023 and will lose some or all of their Small Business Rate Relief.
- 6.2. The relief will be available in financial years 2023/24, 2024/25, 2025/26 for businesses that continue to meet the eligibility criteria unless their bill reaches the level it would have been without the relief.
- 6.3. This relief also subject to subsidy control which limits the amount of relief a business can receive over a 3 year period.
- 6.4. The relief will automatically be included in the business rate bills to eligible businesses unlikely to be affected by subsidy control limit.
- 6.5. Approval is being sought to adopt the scheme as detailed in appendix 2 to make any changes necessary due to Government guidance or to ensure the schemes operate successfully.

7. Reasons for recommendations

- 7.1. The Council must adapt a policy to administer the reliefs using its discretionary powers under section 47 of the Local Government Finance Act 1988, as amended.

8. Alternative options considered

- 8.1. None.

9. Consultation and feedback

- 9.1. None

10. Key risks

- 10.1. The risks are in Appendix 1
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Report author:

Jayne Gilpin, Head of Revenues and Benefits, Jayne.gilpin@cheltenham.gov.uk

Appendices:

- i. Risk Assessment
- ii. Business Rate Reliefs

Background information:

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 2023/24
<https://www.gov.uk/government/publications/business-rates-relief-202324-retail-hospitality-and-leisure-scheme-local-authority-guidance>
3. Guidance document on 2023 Supporting Small Business Relief
<https://www.gov.uk/government/publications/business-rates-relief-2023-supporting-small-business-relief-local-authority-guidance>

Appendix 1: Risk Assessment

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
	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	2	3	6	Accept	Monthly monitoring and an annual review of the scheme	Jayne Gilpin	ongoing