

# Cheltenham Borough Council

## Cabinet – 2 April 2024

### Discretionary Business Rates Reliefs

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**Accountable member:**

Councillor Peter Jeffries, Cabinet Member Finance and Assets

**Accountable officer:**

Jayne Gilpin, Head of Revenues and Benefits

**Ward(s) affected:**

All

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**Key Decision:** Yes

**Executive summary:**

In the Autumn statement 2023 the Government confirmed that business rate reliefs for retail, hospitality, leisure business would continue in 2024/25. This scheme was introduced as a temporary measure. Legislation has not been 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: That Cabinet:**

- 1. Approves the Retail, Hospitality and Leisure Relief scheme 2024 as detailed in Appendix 2.**
- 2. 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 as required by Government or to ensure the successful operation of the scheme.**
- 3. Due to the volume of cases, delegates 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 Deputy Chief Executive and Section 151 Officer.**

## **1. Implications**

### **1.1 Financial, Property and Asset implications**

As detailed within the report and appendices central government is providing funding for the business rate relief 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 the scheme 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](mailto: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.

Although the relief is discretionary the Council should ensure that decisions are made in a consistent manner as failure to do so could result in a legal challenge ultimately by way of judicial review. Having a scheme in place will assist in clear and consistent decision making.

**Signed off by:** One Legal – [legal.services@onelegal.org.uk](mailto:legal.services@onelegal.org.uk)

### **1.3 Environmental and climate change implications**

There are no environmental and climate change implications arising from the content of the report or recommendations.

**Signed off by:** Climate Team, [climate@cheltenham.gov.uk](mailto:climate@cheltenham.gov.uk)

### **1.4 Corporate Plan Priorities**

The proposals in this report don't directly contribute to Corporate Plan Priorities. Implementing the relief scheme will ensure that eligible businesses pay reduced business rate bills.

### **1.5 Equality, Diversity and Inclusion Implications**

None

### **1.6 Performance management – monitoring and review**

The number of businesses benefiting from this scheme and the total amount awarded will be monitored by the Head of Revenues and Benefits and are reported to the Government periodically.

## 2 Background

2.1 Business rates is a national scheme and rates are charged on most non-domestic properties. They are based on a property's rateable value, which is assigned by the Valuation Office Agency, and the multiplier, which is set by the Government each year. As the billing authority this Council's role is to administer the scheme but it has no power to set the level of business rates. There are currently 4,000 properties assessed for business rates in Cheltenham. Some reliefs are available which reduce business rate bills for eligible businesses, particularly small businesses. In Cheltenham 1,300 small businesses benefit from Small Business Rate Relief and most of these have their bill reduced to nil.

2.2 In recent years the Government has also introduced some temporary business rate reliefs, including Retail, Hospitality and Leisure Relief which reduces business rate bills for businesses in the retail, hospitality and leisure sectors. In the Autumn statement 2023 it was confirmed that this relief will continue for 2024/25, reducing bills for eligible businesses by 75%.

2.3 As the Retail, Hospitality and Leisure Relief scheme is a temporary measure the Government has not changed legislation. Councils are expected to use their discretionary powers to award relief under section 47 of the Local Government Finance Act 1988, and adopt a scheme using the detailed guidance provided by Government.

## 3 Reasons for Recommendation

3.1 As the Retail, Hospitality and Leisure Relief scheme is a temporary measure the Government has not changed legislation. Councils are expected to use their discretionary powers to award relief under section 47 of the Local Government Finance Act 1988 and adopt a scheme using the detailed guidance provided by Government. The scheme, with reference to the guidance is detailed in appendix 2.

3.2 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

3.3 The scheme 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. It is also subject to subsidy controls which limits the amount of support a business can receive in any 3 year period.

3.4 Just under 600 businesses are being awarded Retail, Hospitality and Leisure Relief worth £4.4 million on 2024/25 business rate bills.

## **4 Alternative options considered**

4.1 None. A scheme needs to be approved so that the relief can be awarded to local businesses.

## **5 Consultation and feedback**

5.1 No consultation has been taken in relation to the implementation of this scheme.

## **6 Key risks**

6.1 The risks are in Appendix 1

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### **Report author:**

Jayne Gilpin, Head of Revenues and Benefits, [jayne.gilpin@cheltenham.gov.uk](mailto:jayne.gilpin@cheltenham.gov.uk)

### **Appendices:**

- i. Risk Assessment
- ii. Retail Hospitality and Leisure Relief 2024/25

### **Background information:**

1. Section 47 Local Government Finance Act 1988, as amended by clause 69 of The Localism Act 2011
2. <https://www.gov.uk/guidance/business-rates-relief-202425-retail-hospitality-and-leisure-scheme>

**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	3	1	3	Accept	Approve the scheme	Jayne Gilpin	08/03/2024