

Report to: Leader of Eastbourne Borough Council

Date: 28 February 2022

Title: 2022/23 Retail, Hospitality and Leisure Relief scheme and the extension of Transitional Relief and Supporting Small Business relief scheme

Report of: Tim Whelan, Director of Service Delivery

Cabinet member: Councillor David Tutt, Leader of the Council

Ward(s): All

Purpose of report: To consider the Retail, Hospitality and Leisure Business Rates scheme and the Transitional Relief and Supporting Small Business Relief scheme for businesses during 2022/23.

Decision type: Key decision

Officer recommendation(s): (1) The Leader of the Council approves the schemes as set out in Appendix 1 and 2

(2) Grant the Director of Service Delivery delegated authority, to implement, and if necessary, amend the policy (in consultation with the Leader), such delegated authority to include any measures necessary for or incidental to its management and administration

Reasons for recommendations: Cabinet approval is required for the Retail, Hospitality and Leisure Business Rates scheme and the Transitional Relief and Supporting Small Business Relief scheme which will be used for the purposes of administering the scheme

Contact Officer(s): Name: Nick Ducatel
Post title: Lead for Income Maximisation and Welfare
E-mail: nick.ducatel@lewes-eastbourne.gov.uk
Telephone number: 01323 415914

1 Introduction

- 1.1 On 27 October 2021 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 The Government fully expects billing authorities to grant these reliefs to qualifying ratepayers before 01 April 2022 for the 2022/23 financial year and will

fully reimburse the Council for its share of the cost of reliefs awarded in line with the guidance.

2 Retail, Hospitality and Leisure Scheme

- 2.1 The 2022/23 Retail, Hospitality and Leisure 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 The relief will be applied after Mandatory reliefs and other Discretionary reliefs funded by section 31 grants have been applied.
- 2.3 Properties that are eligible for Retail, Leisure and Hospitality relief will be occupied and wholly and mainly used as shops, restaurants, cafes, drinking establishments, cinemas, live music venues, assembly for leisure, hotels, guest and boarding premises or self-catering accommodation.
- 2.4 As this is a temporary measure for 2022/23 the Government is not changing legislation relating to reliefs. Instead in line with the eligibility criteria set out in guidance requires Councils to grant relief under section 47 of the Local Government Finance Act 1988.

3 Transitional Relief and Supporting Small Business Relief

- 3.1 The Transitional relief scheme was introduced in 2017 to help those ratepayers who were faced with higher business rate bills as a result of the 2017 revaluation. The scheme ends on 31 March 2022 and as a result a small number of ratepayers would face a significant increase in their rates bill from 01 April 2022.
- 3.2 The Government has extended the current Transitional relief scheme and the Supporting Small Business scheme for one year to 31 March 2023 which is the end of the current 5 year valuation cycle.
- 3.3 The 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 amount of Transitional relief will be calculated in line with the current statutory scheme as prescribed in the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016.
- 3.5 The Supporting Small Business scheme will be assumed to remain with a percentage cap of 15% plus inflation or a cash value increase of £600 if greater.
- 3.6 Businesses deemed to be eligible for relief will automatically receive the relief on their rate bill. Businesses that receive Retail, Hospitality and Leisure relief will be required to complete a declaration to confirm they do not exceed cash cap or subsidy limits.

4 Financial implications

- 4.1 The Government will fully reimburse billing authorities and major precepting authorities for the loss of income under section 31 of the Local Government Finance Act 2003.

5 Consultation

- 5.1 Time does not permit business consultation as awards need to be made prior to the issue of 2022/23 annual bills on 07 March 2022, but awards will be made in accordance with the regulations and current government guidance and the delegation sought permits the scheme to be adjusted if that is found to be necessary or desirable.

6 Legal Implications

- 6.1 This is a new scheme which needs to be implemented as a matter of urgency and so executive approval for the scheme is being sought from the Leader. The Leader is being asked to authorise the Director of Service Delivery to implement and administer the scheme as there is no existing officer delegation in place. The Director of Service Delivery and the Chief Finance Officer have previously been given delegated powers to administer similar rate relief schemes and determining applications for housing, council tax and similar benefits.
- 6.2 Any awards are subject to subsidy control limits. The EU state aid rules no longer apply to subsidies granted in the UK following the end of the transition period.
- 6.3 The United Kingdom remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU.
- 6.4 The Council can still pay out subsidies under previously approved schemes and this includes subsidies related to COVID-19 that have previously been given under the EU state aid temporary framework.

7 Risk management implications

- 7.1 There is a risk that, without a scheme in place, the Council would be unable to award relief to eligible businesses before the start of the 2022/23 financial year which could result in financial hardship or dissolution of the business given the current impacts of the Covid-19 pandemic and the cost of living crisis. Failure to distribute the support to businesses could cause reputational damage to the council.

8 Equality analysis

8.1 None has been undertaken for the reasons set out above. However, payments will be made in accordance with government guidance and consistency of approach is being secured through the adoption of a countywide scheme.

8.2 It is our view that policies are robust and show no potential for discrimination.

9 Conclusions

9.1 The Government expects local authorities to have in place arrangements for both schemes prior to the start of the new financial year. The schemes are intended to help support the businesses that make our local economy a success and help them to adapt and evolve to changing consumer demands.

10 Appendices

- Appendix 1 – Retail, Hospitality and Leisure Business Rates scheme 2022/23
- Appendix 2 – Extension to the Transitional Relief and Supporting Small Business Rate Relief scheme 2022/23

11 Background papers

The background papers used in compiling this report were as follows:

<https://www.gov.uk/government/publications/business-rates-guidance-202223-retail-hospitality-and-leisure-relief-scheme/202223-retail-hospitality-and-leisure-relief-scheme-local-authority-guidance>

<https://www.gov.uk/government/publications/business-rates-guidance-extension-of-transitional-relief-and-supporting-small-business-relief-for-small-and-medium-properties/extension-of-transitional-relief-and-supporting-small-business-relief-for-small-and-medium-properties>