



Cabinet
7 February 2022

**Report from the Strategic Director
of Customer and Digital Services**

National Non Domestic Rates 2022/23 Retail, Hospitality and Leisure and Transitional Relief Schemes

Wards Affected:	All
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	<p>Four</p> <p>Appendix 1 NNDR Discretionary Scheme; 2022/23 Retail, Hospitality and Leisure Relief Scheme</p> <p>Appendix 2 2022/23 Transitional Relief and Supporting Small Business Relief Scheme</p> <p>Appendix 3 Local Authority Guidance: 2022/23 Retail, Hospitality and Leisure Relief Scheme: local authority guidance - GOV.UK (www.gov.uk)</p> <p>Appendix 4 Local Authority Guidance: Extension of Transitional Relief and Supporting Small Business Relief for small and medium properties - GOV.UK (www.gov.uk)</p>
Background Papers:	None
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1.0 Purpose of the Report

1.1 The powers to grant local discounts in respect of non-domestic rates are contained within section 47 of the Local Government Finance 1988 as amended by section 69 of the Localism Act 2011. To award discounts under this provision any discount scheme requires Cabinet approval.

- 1.2 This report sets out a discretionary scheme for 2022/23 Retail, Hospitality and Leisure Relief Scheme and the 2022/23 Extension of Transitional Relief and Supporting Small Business Relief for small and medium properties.
- 1.3 The Government announced the rate relief for 2022/23 in its budget of 27 October 2021 and published the guidance (appendix 3) on 21 December 2021 for the 2022/23 Retail, Hospitality and Leisure Relief Scheme. In order to award the reliefs set out by Government, the Council needs to approve a discount scheme as described in paragraph 1.1 above. This new scheme will be funded by Government. Relief under this scheme will be utilised after other pre-existing relief schemes have been applied. In view of the numbers of ratepayers who will be entitled to relief, this report also seeks approval to delegate authority the Director of Finance and Strategic Director of Customer and Digital Services to implement the scheme so that officers and the designated service provider can award these discretionary reliefs where the set criteria are met.
- 1.4 On 20 December 2021, Government announced the transitional relief scheme that was due to end on 31 March 2022 for the 2022/23 financial year. Given the short timescale, that Government is not changing the legislation and as this is a temporary measure, Government guidance requests that billing authorities use their discretionary relief powers, under section 47 of the Local Government Finance Act 1988, to grant relief. This report therefore also seeks approval to delegate authority the Director of Finance and Strategic Director of Customer and Digital Services to implement the scheme so that officers and the designated service provider can award these discretionary reliefs where the set criteria are met.

2.0 Recommendation(s)

- 2.1 That Cabinet approves the National Non Domestic Rates (NNDR) Discretionary Scheme: 2022/23 Retail, Hospitality and Leisure Relief Scheme as set out in Appendix 1 of this report and pursuant to the Council's powers under section 47 of the Local Government Finance Act 1988 as amended.
- 2.2 That Cabinet approves the 2022/23 Extension of Transitional Relief and Supporting Small Business Relief Scheme as set out in Appendix 2 of this report and pursuant to the Council's powers under section 47 of the Local Government Finance Act 1988 as amended.
- 2.3 That Cabinet delegates authority to the Director of Finance and Strategic Director of Customer and Digital Services to implement the schemes as detailed in Appendix 1 and Appendix 2 of this report.

3.0 Detail

2022/23 Retail, Hospitality and Leisure Relief Scheme:

- 3.1 The Government announced the rate relief for 2022/23 in its budget of 27 October 2021 and published the guidance on 21 December 2021 for the

2022/23 Retail, Hospitality and Leisure Relief Scheme. The Government has indicated that this will only be a temporary measure for the next financial year.

- 3.2 The relief will provide eligible, occupied, retail, hospitality and leisure properties with a 50% relief, up to a cash cap limit of £110,000 per business. This means many national chains will be excluded which is a change from previous schemes.
- 3.3 The Government anticipates that local authorities will include details of the relief to be provided to eligible ratepayers for 2022/23 in their bills for the beginning of the 2022/23 billing cycle.
- 3.4 The detailed guidance from the Government regarding this scheme is set out at appendix 3.

2022/23 Extension of Transitional Relief and Supporting Small Business Relief Scheme

- 3.5 The Government announced the extension of the transitional rate relief scheme on 20 December 2021. It was the case that the existing scheme was to end on 31 March 2022. The extension is another response to the ongoing impact of the pandemic on business. This is a temporary measure for which Government is not changing legislation. In its guidance, Government requests that billing authorities use their discretionary relief powers, under section 47 of the Local Government Finance Act 1988, to grant relief.
- 3.6 The properties that will benefit are those with a rateable value up to and including £100,000 who would have received transitional relief and/or Supporting Small Business (SBB) in 2022/23. In line with the existing thresholds in the transitional relief scheme, the £100,000 rateable value threshold should be based on the rateable value shown for 1 April 2017 or the substituted day in the cases of splits and mergers. This policy does not apply to those in downward transition to lower bills – they will fall to their full bill on 1 April 2022.

4.0 Financial Implications

- 4.1 The financial implications are set out throughout this report, however in summary all grants and reliefs provided to eligible businesses will be reimbursed by Government.

5.0 Legal Implications

- 5.1 Local authorities have powers to grant local discounts in respect of non-domestic rates pursuant to section 47 of the Local Government Finance 1988 as amended by section 69 of the Localism Act 2011.
- 5.2 A billing local authority in England, when making a decision under section 47(3) of the Local Government Finance Act 1988 (as amended) above, must have regard to any relevant guidance issued by the Secretary of State. The decision

maker is referred to the Guidance documents that have been provided by the Secretary of State which are referred and appended to this report.

- 5.3 In relation to the Retail Hospitality and Leisure Relief Scheme 2022/23 and the Extension of Transitional Relief and Supporting Small Business Relief for small and medium properties 2022/23, the Government has stated in its guidance that it will fully reimburse billing authorities and major precepting authorities for their loss of income under the rates retention scheme as a result of awarding the reliefs that fall within the definitions in the Government's guidance, using a grant under section 31 of the Local Government Act 2003.
- 5.4 The Retail Hospitality and Leisure Relief Scheme 2022/23 is likely to amount to subsidy. Any relief provided by local authorities under this scheme will need to comply with the UK's domestic and international subsidy control obligations. To the extent that a local authority is seeking to provide relief that falls within the Small Amounts of Financial Assistance Allowance, Article 364 of the UK-EU Trade Co-Operation Agreement allows an economic actor (e.g. a holding company and its subsidiaries) to receive up to £325,000 special drawing rights (£343,000 as at 9 December 2021) in a three-year period (consisting of the 2022/23 year and the two previous financial years). Expanded Retail Discount granted in either 2020/21 or 2021/22 does not count towards the £343,000 allowance but BEIS business grants (throughout the 3 years) and any other subsidies claimed under the Small Amounts of Financial Assistance limit should be counted. In those cases where it is clear to the local authority that the ratepayer is likely to breach the cash cap or the Small Amounts of Financial Assistance limit then the authority should automatically withhold the relief. Otherwise, local authorities may include the relief in bills and ask the ratepayers, on a self-assessment basis, to inform the authority if they are in breach of the cash caps or Small Amounts of Financial Assistance limit. Part 4 of the Government's guidance relating to the Retail Hospitality and Leisure Relief Scheme 2022/23 contains a sample ratepayer declaration, which local authorities may wish to use to discharge this responsibility. The above-mentioned subsidy control arrangements will apply to the 2022/23 Extension of Transitional Relief and Supporting Small Business Relief Scheme and the Government's guidance for that scheme states that where it is clear to the local authority that the ratepayer is likely to breach the Small Amounts of Financial Assistance Allowance then the authority should automatically withhold the relief.

6.0 Equality Implications

- 6.1 The public sector equality duty requires public bodies to pay due regard to the need to:-
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010;
 - advance equality of opportunity between people who share a protected characteristic and those who do not;
 - foster good relations between people who share a protected characteristic and those who do not

6.2 The Equality Act 2010 and the Public Sector Equality Duty (outlined above) cover the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.

6.3 There are not thought to be any direct equalities implications arising from the report at this stage. Indeed the schemes will provide help to small businesses with needed financial support. Those who are likely to be entitled to these grants will have their grants awarded dependent on a new or in the case of ARG updated application. Those businesses awarded grants will be asked to advise us if they fail to meet the State Aid criteria through the application process.

7.0 Consultation with Ward Members and Stakeholders

7.1 The Scheme referred to in this report comes as part of the Government's urgent response to the Covid-19 pandemic. As such, there has been no consultation as guidance has been issued by the Government on how this scheme should be operated, and the Government expects local authorities to implement it using its section 47 powers.

8.0 Human Resources/Property Implications (if appropriate)

8.1 8.1 None

Report sign off:

Peter Gadsdon

Strategic Director of Customer and Digital Services.