



Cabinet
13 March 2023

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

National Non Domestic Rates 2023/24 Retail, Hospitality and Leisure Relief, Supporting Small Business Relief 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 The Council's NNDR Discretionary Scheme; 2023/24 Retail, Hospitality and Leisure Relief Scheme</p> <p>Appendix 2 The Council's 2023/24 Supporting Small Business Relief Scheme to 2025/26</p> <p>Appendix 3 Government Guidance to Local Authorities: Business Rates Relief: 2023/24 Retail, Hospitality and Leisure Scheme - GOV.UK (www.gov.uk)</p> <p>Appendix 4 Government Guidance to Local Authorities: Business Rates Relief: 2023 Supporting Small Business Relief, local authority guidance - GOV.UK (www.gov.uk)</p>
Background Papers:	Business Rates Information Letter (7/2022): Business Rates guidance and general information (publishing.service.gov.uk)
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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 Retail, Hospitality and Leisure Relief Scheme for 2023/24 and a Supporting Small Business Relief scheme for small and medium properties.

No local scheme is required for the Transitional Relief that the government will apply from 1 April 2023.

- 1.3 The Government announced the rate relief for 2023/24 in its autumn statement of 17 November 2022 and published the guidance on 21 December 2022 for the 2023/24 Retail, Hospitality and Leisure Relief Scheme. In addition guidance was also published on the same day regarding the Business Rate Supporting Small Business Relief 2023/24 to 2025/26. 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 to the Corporate Director, Resident Services in consultation with the Corporate Director, Finance and Resources 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 Council's National Non Domestic Rates (NNDR) Discretionary Scheme in relation to 2023/24 Retail, Hospitality and Leisure Relief 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 Council's National Non Domestic Rates (NNDR) Discretionary Scheme in relation to the 2023 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 Corporate Director, Resident Services in consultation with the Corporate Director, Finance and Resources to implement the discretionary schemes as set out in Appendix 1 and Appendix 2 of this report.

3.0 Detail

2023/24 Retail, Hospitality and Leisure Relief Scheme:

- 3.1 The Government announced the rate relief for 2023/24 in its autumn statement of 17 November 2022 and published the guidance on 21 December 2022 for the 2023/24 Retail, Hospitality and Leisure Relief Scheme.
- 3.2 The relief will provide eligible, occupied, retail, hospitality and leisure properties with a 75% relief, up to a cash cap limit of £110,000 per business. This is an increase from 50% that the government included in the 2022/23 scheme.
- 3.3 The Government anticipates that local authorities will include details of the relief to be provided to eligible ratepayers for 2023/24 in their bills for the beginning of the billing cycle.
- 3.4 The detailed guidance from the Government regarding this scheme is set out at appendix 3, which can be located in the weblink in section 9 of this report.

2023 Supporting Small Business Relief Scheme

- 3.5 The Government published guidance for the financial years 2023/24 to 2025/26 for the administration of the Supporting Small Business Relief Scheme (SSBR) on 21 December 2022. It was previously expected that the existing scheme would end on 31 March 2023. In its guidance, the Government recommends that billing authorities use their discretionary relief powers, under section 47 of the Local Government Finance Act 1988, to grant relief.
- 3.6 The detailed guidance from the Government regarding this scheme is set out at appendix 4, which can be located in the weblink in section 9 of this report.
- 3.7 The government's Autumn Statement stated that the 2023 Supporting Small Business (SSB) scheme will cap bill increases at £600 per year for any business losing eligibility for some or all Small Business Rate Relief or Rural Rate Relief at the 2023 revaluation. The scheme is intended to run until 2025/26.

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), must have regard to any relevant guidance issued by the Secretary of State, which includes the government guidance of December 2022 in relation to the two schemes that are set out in appendices 3 and 4 to this report.

Retail, Hospitality and Leisure Relief Scheme 2023/24

- 5.3 In relation to the Retail Hospitality and Leisure Relief Scheme 2023/24, as this is a temporary measure for 2023/24, the government is not changing the legislation relating to the reliefs available to properties. Instead, the government has stated that it will, in line with the eligibility criteria set out in the government guidance, reimburse local authorities that use their discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended) (“LGFA 1988”) to grant relief. It will be for individual local billing authorities to adopt a local scheme and determine in each individual case when, having regard to the government’s guidance, to grant relief under section 47 of the LGFA 1988. The government has stated 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 relief that falls within the relevant 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 2023/24 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 below the Minimal Financial Assistance (MFA) thresholds, the Subsidy Control Act 2022 allows an economic actor (e.g. a holding company and its subsidiaries) to receive up to £315,000 in a 3-year period (consisting of the 2023/24 year and the 2 previous financial years). MFA subsidies cumulate with each other and with other subsidies that fall within the category of ‘Minimal or Service of Public Economic Interest [SPEI] financial assistance’. Expanded Retail Discount granted in 2021/22 does not count towards the £315,000 allowance but BEIS COVID-19 business grants and any other subsidies claimed under the Small Amounts of Financial Assistance limit of the Trade and Cooperation Agreement should be counted.
- 5.5 Under the cash cap pursuant to the Retail Hospitality and Leisure Relief Scheme, no ratepayer can exceed the £110,000 cash cap across all of their hereditaments in England.

2023 Supporting Small Business Relief Scheme

- 5.6 For 2023/24 to 2025/26, the government will, in line with the eligibility criteria set out in this guidance, reimburse local authorities that use their discretionary

relief powers under section 47 of the Local Government Finance Act 1988 (as amended) (“LGFA 1988”), to grant 2023 Supporting Small Business Relief. It will be for individual local authorities, which administer the 2023 Supporting Small Business Relief, to adopt a local scheme and determine in each individual case when, having regard to this guidance, to grant relief under section 47 of the LGFA 1988. The government has stated that it will reimburse billing authorities and major precepting authorities for the actual cost to them under the rates retention scheme of the 2023 Supporting Small Business Relief that falls within the relevant definitions in the government guidance.

5.7 The 2023 Supporting Small Business Relief scheme is likely to amount to a subsidy. Therefore, 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 below the Minimal Financial Assistance (MFA) thresholds, the Subsidy Control Act 2022 allows an economic actor (e.g. a holding company and its subsidiaries) to receive up to £315,000 in a three-year period (consisting of the 2023/24 year and the two previous financial years). MFA subsidies cumulate with each other and with other subsidies that fall within the category of ‘Minimal or Service of Public Economic Interest [SPEI] financial assistance’. BEIS COVID-19 business grants and any other subsidies claimed under the Small Amounts of Financial Assistance limit of the Trade and Cooperation Agreement should be counted under the £315,000 allowance.

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 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 proposals from its autumn statement and guidance published on 21 December 2022. 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

Corporate Director, Resident
Services

APPENDIX 1

NNDR Discretionary Scheme

- i. In respect of the 2023/24 Retail, Hospitality and Leisure Relief Scheme, the Government confirmed the rate relief for 2023/24 in guidance published on 21 December 2022 for the 2023/24 Retail, Hospitality and Leisure Relief Scheme. The Council's discretionary scheme is aligned to the government guidance, including the eligibility criteria, as set out in Part 1 paragraphs 8 to 13 and Part 2 of the government's guidance entitled "Business Rates Relief: 2023/24 Retail, Hospitality and Leisure Scheme".
- ii. The relief will provide eligible, occupied, retail, hospitality, and leisure properties with a 75% relief, up to a cash cap limit of £110,000 per business.

APPENDIX 2

NNDR Discretionary Scheme 2023/24-2025/26 Supporting Small Business Relief Scheme

- i. The Government published guidance on 21 December 2022 in relation to the 2023 Supporting Small Business Relief Scheme. The Council's discretionary scheme is aligned to the government guidance, including the eligibility criteria as set out in Section 2 of the government's guidance entitled "Business Rates Relief: 2023 Supporting Small Business Relief, local authority guidance".
- ii. The 2023 Supporting Small Business Rate Relief will cap increases helping those ratepayers who would otherwise face a steeper increase.