

Hambleton District Council

Report To: Cabinet

Date: 8 February 2022

Subject: **Business Rates Relief**

Portfolio Holder: Economic Development and Finance
Councillor P R Wilkinson

Wards Affected: All Wards

1.0 Purpose and Background

1.1 Three business rate relief schemes have been proposed by the Government. The purpose of this report is to seek endorsement of Cabinet to recommend adoption of each scheme to Council in February 2022.

1.2 Business Rates Transitional Relief

The current Transitional Relief scheme is due to end on 31st March 2022. This scheme restricted increases in business rate bills to 15% for businesses with rateable values up to and including £20,000 and 25% for medium properties with a rateable value up to and including £100,000. Transitional arrangements were used to phase the increase in rateable value revaluation and to mitigate a huge increase in business rate bills. The Government is looking to extend this scheme for a further year to 31st March 2023. This is when the next revaluation of property is expected. However, it is for each Local Authority under their discretionary relief powers (under section 47 of the Local Government Finance Act 1988, as amended) to grant the relief. Central Government will fully reimburse Local Authorities for the costs incurred for this scheme and therefore, if approved in this report, this Council will adopt its own local scheme whereby the Local Authority will grant discretionary relief to qualifying rate payers.

1.3 Retail, Hospitality and Leisure Relief

The Government has also announced the introduction of a new business rate relief scheme for retail, hospitality and leisure properties to support high streets and town centres and help them evolve and adapt to changing customer demands. The relief will provide eligible, occupied properties with 50% relief, up to a cash limit of £110,000 per business from April 2022 to 31 March 2023. All of these reliefs will be re-imbursed by the Government.

1.4 Covid 19 Additional Relief Fund

Covid 19 has presented significant challenges for businesses. The Government has announced a new Covid 19 Additional Relief Fund to support businesses that are affected by the pandemic but have not received or are ineligible for financial support linked to business rates. A specific allocation of £1,733,944 has been allocated to Hambleton and is for the current financial year. Authorities are being asked to direct support towards ratepayers who have been adversely affected by the pandemic and have not been able to adapt to that impact and to award any relief under their discretionary relief powers (under section 47 of the Local Government Finance Act 1988). The basis of allocation will maximise the relief granted to those eligible businesses.

2.0 Link to Council Priorities

2.1 The provision of the three schemes will provide much needed help to support businesses in the relevant sectors. This links to the Council's priority for driving economic vitality.

3.0 Risk Assessment

3.1 There are no significant risks in approving this report

4.0 Financial Implications

4.1 Central government expects Local Authorities to grant relief to qualifying ratepayers in line with the eligibility criteria it has set in its guidance and will fully reimburse billing authorities that use their discretionary relief powers under section 47 of the Local Government Act 1988 for the actual cost incurred in awarding any reliefs. This will be reimbursed under section 31 grant scheme.

5.0 Legal Implications

5.1 The Government is asking that local authorities to use their discretionary powers under Section 47 of the Local Government Act 1988. Re-imburement from Government will meet the costs of the reliefs granted. Members should note that in line with legal restrictions in section 47(8A) of Local Government Finance Act 1988, Billing authority and precepting authorities are not eligible for these relief grants. This includes parish councils .

6.0 Equality/Diversity Issues

6.1 Equality and diversity issues have been considered with the grant schemes. There are no issues pertinent to implementing this report.

7.0 Recommendations

7.1 That Cabinet approves and recommends to Council that:

- (1) adopt the extension of Transitional Relief and Supporting Small Business Relief for small and medium properties to 31 March 2023;
- (2) adopt the Retail, Hospitality and Leisure Relief Scheme from 1 April 2022; and
- (3) accept the Covid 19 Additional Relief Fund from 1 April 2022 and allocate payments to eligible businesses.

Noel O'Neil
Interim Director of Finance (s151 Officer)

Background papers: Local Council Tax Reduction Scheme
Author ref: SG
Contact: Sue Grant
Taxation and Benefit Manager
Direct Line No: 01609 767220