



WEST OXFORDSHIRE
DISTRICT COUNCIL

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Name and date of Committee	Delegated Decisions Meeting with cabinet member with Responsibility for Finance 7th June 2021
Report Number	Agenda Item No. 3
Subject	DISCRETIONARY RATE RELIEF – BUSINESS RATES. EXPANDED RETAIL DISCOUNT AND NURSERY DISCOUNT
Wards affected	ALL
Accountable member	Cllr Suzi Coul – Cabinet Member for Finance Email: suzi.coul@westoxon.gob.uk Tel: 07775 464349
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Summary/Purpose	This report sets out amendments to the Council's Discretionary Rate Relief Policy to reflect government proposals in supporting businesses as a result of the Coronavirus pandemic and provides details on two ongoing temporary measures; <ul style="list-style-type: none">• Expanded Retail Discount Relief• Nursery Discount Relief
Annexes	None
Recommendation/s	That the Cabinet Member for Finance and the Chief Executive Officer notes the contents of this report and endorses the following : <ul style="list-style-type: none">a) <i>Expanded Retail Relief as detailed in paragraph 2.1</i>b) <i>Expanded Retail Relief as detailed in paragraph 2.2</i>
Corporate priorities	Delivering excellent modern services whilst ensuring financial sustainability of the Council Securing future economic success through supporting existing local businesses
Key Decision	NO
Exempt	NO
Consultees/ Consultation	Leader of the Council and Cabinet Member for Finance, Chief Executive, Chief Finance Officer, Monitoring Officer, Interim Head of Legal, Group Manager, Revenues Manager

1. BACKGROUND

- 1.1. In the Autumn Budget on 29 October 2018, and in recognition of the challenges faced by retailers in town centres and high streets, the Chancellor announced that the government would provide a Business Rates Retail Discount scheme for occupied retail properties with a rateable value of less than £51,000 in each of the years 2019-20 and 2020-21.
- 1.2. The value of the relief for 2019-20 was one third of the final bill and had to be granted after mandatory reliefs and other discretionary reliefs funded by Section 31 grants were applied.
- 1.3. In the Queen's Speech on 19 December 2019, the Government announced its intention to increase the level of Relief Discount for 2020-21 to 50%.
- 1.4. However, in the Budget on 11 March 2020, and in response to Covid-19, the Chancellor announced that Retail Discount would be increased to 100% to take effect from 1 April 2020.
- 1.5. The list of qualifying properties was also expanded to include the Leisure and Hospitality sectors, and more recently other property types such as estate agents, bingo halls etc. which had been forced to close as a result of the Covid19 pandemic.
- 1.6. On 18 March 2020 the Chancellor also decided, again in response to Covid-19, that nurseries would also be eligible for 100% retail relief for one year.

2. MAIN POINTS

- 2.1. In the more recent Budget on 3 March 2021, the Chancellor announced that the government would continue to provide eligible retail, hospitality and leisure properties in England with 100% business rates relief from 1 April 2021 to 30 June 2021.
- 2.2. This will be followed by 66% business rates relief for the period from 1 July 2021 to 31 March 2022, capped at £2 million per business for properties that were required to be closed on 5 January 2021, or £105,000 per business for other eligible properties.
- 2.3. Nurseries will also qualify for relief in the same way as other eligible properties.
- 2.4. Ratepayers will have the option to refuse either relief
- 2.5. Local authorities are expected to use their discretionary relief powers (under section 47 of the Local Government Finance Act 1988 as amended) to grant these discounts in line with the relevant eligibility criteria. The Council will be compensated for the cost of granting these discounts through a section 31 grant from government
- 2.6. Expanded Retail Discount Relief: In recognition of the challenges faced by retailers in town centres and high streets, the Government introduced a Business Rates Retail Discount from 1 April 2019, representing one third of the final bill for those retail premises with rateable values under £51,000.
- 2.7. For 2020/21 the level of Retail Discount Relief for occupied retail properties was increased to 100% of the final bill and the rateable value threshold limit removed.
- 2.8. Banks and payday lenders do not get the discount and the relief is to be applied across the whole District and not just those retailers that are in the high street or town centres.
- 2.9. Government initially extended the qualifying criteria to include cinemas and music venues for 2020-21, however in the Budget on 11 March 2020, the relief was further expanded again to include leisure and hospitality sectors and other property types such as bingo halls, estate and letting agents.

- 2.10. The current road map is that non-essential retail businesses and outdoor hospitality will not be able to reopen until 12 April 2021. Indoor hospitality will be able to open 17 May 2021. The government has therefore introduced this short-term measure to alleviate the position for these businesses
- 2.11. Government will fully reimburse local authorities for the cost of relief granted under this scheme.
- 2.12. Guidance has been provided as to which types of properties should benefit from this relief and those that should not, and the Discretionary Rate Relief Policy will follow this guidance and set out the qualifying criteria.
- 2.13. The Authority intends to implement the extension of this relief for both sectors immediately to reduce the financial strain on eligible businesses,
- 2.14. In order to meet the timescales for annual billing the Council issued circa 988 bills reflecting 100% Expanded Retail Discount to eligible Business Rate accounts, with a covering letter being sent with each bill by way of explanation and advice.
- 2.15. In June the Council will issue amended bills showing the reduced 66% Expanded Retail Discount for the period July 2021 to March 2022.
- 2.16. Nursery Discount Relief: In 2020, a 100% Nursery Discount Relief applied to hereditaments occupied by providers on Ofsted's Early Years Register and wholly or mainly used for the provision of the Early Years Foundation Stage and which were subject to business rates in the year 2020/21.
- 2.17. There was no rateable value limit on the relief. Government fully reimbursed local authorities for the cost of relief granted under this scheme
- 2.18. In the Budget on 3 March 2021 government announced that this relief would continue at 100% until 30 June 2021 reducing to 66% for the remaining nine months.
- 2.19. In order to meet the timescales for Billing the Council issued 31 bills reflecting 100% Nursery Discount to eligible Business Rate accounts, with a covering letter being sent with each bill by way of explanation and advice.
- 2.20. In June the Council will issue amended bills showing the reduced 66% Nursery Discount Relief for the period July 2021 to March 2022.

3. FINANCIAL IMPLICATIONS

- 3.1. Central government will fully reimburse local authorities for the local share of discretionary relief awarded to those qualifying properties entitled to either the Expanded Retail Discount Relief of Nursery Discount Relief using a grant under section 31 of the Local Government Act 2003, providing the council adopts the recommended approach when granting relief.

4. LEGAL IMPLICATIONS

- 4.1. The government is not changing the legislation around the reliefs available to properties and expects councils to grant the relief under section 47 of the Local Government Finance Act 1988,

5. RISK ASSESSMENT

5.1. There are no risks associated with this report as the Council will be following central government guidance.

6. EQUALITIES IMPACT

6.1. None

7. CLIMATE CHANGE IMPLICATIONS

7.1. None

8. ALTERNATIVE OPTIONS

8.1. None