



Council name	<b>WEST OXFORDSHIRE DISTRICT COUNCIL</b>
Name and date of Committee	<b>CABINET – 16 FEBRUARY 2022</b>
Report Number	<b>AGENDA ITEM 8</b>
Subject	<b>DISCRETIONARY RATE RELIEF – BUSINESS RATES (EXPANDED RETAIL DISCOUNT)</b>
Wards affected	All
Accountable member	Cllr Suzi Coul - Cabinet Member with responsibility for Finance Email: suzi.coul@westoxon.gov.uk
Accountable officer	Mandy Fathers – Business Manager for Operations and Enabling Email: mandy.fathers@publicagroup.uk
Summary/Purpose	To consider a scheme of rate relief for retail premises as outlined in by Government in the Autumn Statement 2021
Annexes	Annex A – Expand Retail Discount Criteria
Recommendation(s)	That Cabinet approves the :-  a) Expanded Retail Discount scheme granting 50% relief to eligible businesses as set out in Annex A (up to a £110,000 cap);  b) Requests that the Group Manager for Resident Services implements the scheme as part of the annual billing processes.
Corporate priorities	<ul style="list-style-type: none"><li>• Delivering excellent modern services whilst ensuring the financial sustainability of the Council</li></ul>
Key Decision	NO
Exempt	NO
Consultees/ Consultation	Cabinet Member with Responsibility for Finance, Chief Executive Officer, Chief Finance Officer, Monitoring Officer, Interim Head of Legal Services, Finance Business Partner, Group Manager, Director of Finance (Publica)

## 1. BACKGROUND

- 1.1 Although the economy has now reopened, the government recognises that ongoing difficulties as well as longer-term challenges continue to face the retail, leisure and hospitality sectors.
- 1.2 High streets are currently recovering from the impacts on Covid-19 whilst also going through a period of transition and evolving in response to changing consumer preferences. Some of these trends, such as the shift to online sales, have been accelerated by the pandemic.
- 1.3 The government is therefore providing a new temporary relief for eligible retail, hospitality and leisure businesses in England to support local high street as they adapt and recover for 2022/23.

## 2. MAIN POINTS

- 2.1 The Chancellor announced in his Autumn Budget that eligible hereditaments will receive 50% business rate relief up to a cash cap of £110,000 per business.
- 2.2 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 edibility criteria as detailed within Annex A (attached).
- 2.3 The Council will be compensated for the cost of granting these discounts through a section 31 grant from government.
- 2.4 Properties that will benefit from the discount will be occupied hereditaments that are wholly or mainly being used:
  - a) As shops, restaurants, cafes, drinking establishments, cinemas and live music venues;
  - b) For assembly and leisure; or
  - c) As hotels, guest and boarding premises and self-catering accommodation.
- 2.5 The annex attached to this document will form part of the policy.
- 2.6 These changes will take effect from 1 April 2022.
- 2.7 Those businesses eligible for this relief will have the relief applied to their 2022/2023 liability and will see the reduction on their annual business rate demand notice issued next month.

### **3. FINANCIAL IMPLICATIONS**

- 3.1** Central government will fully reimburse local authorities for the local share of discretionary relief awarded to those qualifying businesses entitled to this relief using a grant under section 31 of the Local Government Finance Act 2003 providing the council adopts the recommended approach when granting relief.
- 3.2** The anticipated value of the reliefs under this scheme will be in the order of £9m.

### **4. LEGAL IMPLICATIONS**

- 4.1** The government is not changing the legislation around the relief available to businesses and expects councils to grant the relief under section 47 of the Local Government Finance Act, 1988, as amended.
- 4.2** In line with legal restrictions in section 47(8A) of the Local Government Finance Act 1988, billing authorities may not grant the discount to themselves or a precepting authority.

### **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**

None

### **7. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS**

There are none associated with this report.

### **8. ALTERNATIVE OPTIONS**

None

(END)

## Annex A

### **Expanded Retail Discount Criteria**

This discount will apply to occupied retail, leisure and hospitality properties in the year 2022/23. There will be no rateable value limit on the discount

Properties that will benefit from the discount will be occupied hereditaments that are wholly or mainly being used:

- d) As shops, restaurants, cafes, drinking establishments, cinemas and live music venues;
- e) For assembly and leisure; or
- f) As hotels, guest and boarding premises and self-catering accommodation.

The Government has issued guidance relating to which types of establishments should be considered in (a) as follows:

- i. Hereditaments that are being used for the sale of goods to visiting members of the public:**
  - Shops (such as florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets, etc.)
  - Charity shops
  - Opticians
  - Post offices
  - Furnishing shops / display rooms (such as carpet shops, double glazing, garage doors)
  - Car/caravan showrooms
  - Second-hand car lots
  - Markets
  - Petrol stations
  - Garden centres
  - Art galleries (where art is for sale/hire)
  
- ii. Hereditaments that are being used for the provision of the following services to visiting members of the public:**



- Hair and beauty services (such as hairdressers, nail bars, beauty salons, tanning shops etc.)
  - Shoes repairs/key cutting
  - Travel agents
  - Ticket officers e.g. for theatre
  - Dry cleaners
  - Launderettes
  - PC/TV/domestic appliance repair
  - Funeral directors
  - Photo processing
  - Tool hire
  - Car hire
  - Employment agencies
  - Estate agents and letting agents
  - Betting shops
- iii. **Hereditaments that are being used for the sale of food and/or drink to visiting members of the public:**
- Restaurants
  - Takeaways
  - Sandwich shops
  - Coffee shops
  - Pubs
  - Bars
- iv. **Hereditaments that are being used as cinemas**
- v. **Hereditaments that are being used as live music venues:**
- Live music venues are hereditaments wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Hereditaments cannot be considered a live music venue for the purpose of business rates relief where a venue is wholly or mainly used as a nightclub or a theatre, for the purposes of the Town and County Planning (Use Classes) Order 1987 (as amended).
  - Hereditaments can be a live music venues if used for other activities, but only if those activities (i) are merely ancillary or incidental to the performance of live music (e.g. the sale/supply of alcohol to audience members) or (ii) do not affect the fact that the primary activity for the premises is the performance of live music (e.g. because those

other activities are insufficiently regular or frequent, such as a polling station or a fortnightly community event).

The Government has issued guidance relating to which types of establishments should be considered in (b) as follows:

- i. Hereditaments that are being used for the provision of sport, leisure and facilities to visiting members of the public (including for the viewing of such activities)**
  - Sports grounds and clubs
  - Museums and art galleries
  - Nightclubs
  - Sport and leisure facilities
  - Stately homes and historic houses
  - Theatres
  - Tourist attractions
  - Gyms
  - Wellness centres, spa, massage parlours
  - Casinos, gambling clubs and bingo halls
  
- ii. Hereditaments that are being used for the assembly of visiting members of the public**
  - Public halls
  - Clubhouses, clubs and institutions

The Government has issued guidance relating to which types of establishments should be considered in (c) as follows:

- i. Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business:**
  - Hotels, Guest and Boarding Houses
  - Holiday homes
  - Caravan parks and sites

The list below sets out the types of uses that the government does not consider to be an eligible use for the purpose of relief:

- i. Hereditaments that are being used for the provision of the following services to visiting members of the public:**

- Financial services (e.g. banks, building societies, cash points, bureaux de change, short term loan providers)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents/financial advisers)
- Post office sorting offices

ii. **Hereditaments that are reasonably accessible to visiting members of the public**

In line with legal restrictions in section 47(8A) of the Local Government Finance Act 1988, billing authorities may not grant the discount to themselves or a precepting authority.

**State Aid**

The business rates expanded retail, leisure and hospitality discount 2022/2023 is not a state aid.