

Decision Maker: The Director of Finance and Corporate Services

Title: Business Rates Reliefs and Grants

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Summary

1. In response to the public health emergency, Corona Virus (Covid-19) the Government is providing additional financial support to businesses
 - a. Increase Retail Relief
 - b. Business Support Grants
2. Retail relief has been extended from 50% to 100% and is not limited by rateable value; this applies to occupied retail, leisure, hospitality and certain other high street businesses, this is not limited by rateable value
3. Nurseries who provided childcare provision and are registered on the Ofsted Early Years Providers register will also be eligible for 100% relief
4. The additional grants are made up of a Small Business Grant for businesses with a rateable value under £15,000 who will receive £10,000 and a Retail, Hospitality and Leisure Grant for businesses with a rateable value between £15,000 and £51,000 and will receive £25,000 in grant.

Recommendations

5. It is requested that Council approves
 - a. using its discretionary powers under S47 of the Local Government Act 1988 (as amended) approves the updated business rates relief policy as set out in this report and appendix A
 - b. the additional Small Business Grant and the Retail, Leisure and Hospitality Grant as set out in this report

Financial Implications

6. Government will reimburse Local Authorities that use their discretionary relief powers under S47 of the Local Government Finance Act 1988 (as amended) for the additional rate relief.
7. All grant payments will be fully reimbursed using a grant under S31 of the Local Government Finance Act 2003.

8. New burdens funding will also be provided to support the cost of the administration of the new reliefs and grants.

Background Papers

9. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

<https://www.gov.uk/government/publications/52020-coronavirus-response-and-guidance>

[Retail Relief Guidance](#)

[Small and Retail, Leisure and Hospitality Business Grants](#)

Impact

- 10.

Communication/Consultation	N/A
Community Safety	N/A
Equalities	N/A
Health and Safety	N/A
Human Rights/Legal Implications	N/A
Sustainability	N/A
Ward-specific impacts	N/A
Workforce/Workplace	N/A

Situation

11. In response to the Corona Virus emergency and subsequent trading restrictions for all shops and premises where people gather, the government have provided additional support for businesses whilst they are unable to operate.
12. This support consists of extended retail relief, Nursery relief and two grant funds, Small Business Grant and Retail, Hospitality and Leisure Grant.

Retail Relief

13. In the October 2018 budget the Government announced the introduction of a Business Rates Retail Discount for 2019/20 and 2020/21. In response to the

Corona Virus pandemic this discount was increased to 100% relief and expanded to include other sectors, including leisure and hospitality sectors.

14. Previously the retail relief was restricted to premises with a rateable value of £51,000, this limit has now been removed and all premises are now eligible subject to state aid rules (the limit has been increased from 200,000 euros to 800,000 euros). Government has applied to the EU for an exception to State Aid rules and are awaiting a decision.
15. The eligibility criteria has been further updated and the new Business Rates Relief Policy is attached as Appendix A, please note it is possible that these reliefs could be extended as more businesses are affected by the current restrictions.
16. The current premises/sectors that are eligible are detailed in the guidance notes attached in paragraph 9, (Background Papers). In summary this relief covers occupied businesses that are wholly or mainly being used:
 - a. As shops, restaurants, cafes, drinking establishments, cinemas and live music venues
 - b. For assemble and leisure
 - c. As hotels, guest and boarding premises and self catering accommodation
 - d. Estate agents and letting agents, betting shops, pawn brokers, casino's and gambling clubs, employment agencies and tutors
17. The 100% relief has also been extended to Nursery providers registered on Ofsted early years register as wholly or mainly providers for early years and foundation stage care.
18. Hereditaments that are currently excluded from this relief are professional and financial services, medical services, post office sorting establishments, Car Parks and hereditaments owned by Local Authorities.
19. The scheme will be administered locally using the council's discretionary powers and all reliefs given will be fully reimbursed under S47 of the Local Government Finance Act 1988 (as amended) via the section 31 grant.

Small Business Grant and Retail Hospitality and Leisure Grants

20. The Small Business Grant will provide a grant of £10,000 for all eligible hereditaments with a rateable value of less than £15,000.
21. To qualify for the grant businesses would have been in receipt of either Small Business Rate Relief or Rural Rate Relief.
22. The Retail, Hospitality and Leisure Grant will provide a grant of £25,000 for all eligible hereditaments with a rateable value between £15,000 and £51,000.

23. Hereditaments that are used for personal use are excluded from receiving this grant; these would be personal stables and loose boxes, beach huts and moorings and Car Parks.
24. Businesses are limited to one grant per hereditament although if a business has more than one premises it would be entitled to one of the grants for each of its premises.
25. The eligibility criteria is set out in detail in the guidance notes in paragraph 9 (Background Papers)

Risk Analysis

26.

Risk	Likelihood	Impact	Mitigating actions
That the local scheme is not administered based on the guidance and eligibility criteria	2 – data is collected and checked. Need to be aware of the urgency of the situation and detailed checks not done due to current emergency measures	2 – incorrect allocations of grants and reliefs, loss of income from government reimbursement	Staff are collecting and checking details against data bases and will have the support of new software provided by HMRC to check for fraudulent claims

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.