

Committee: Council

Date: Tuesday 22
February 2022

Title: Business Rates Reliefs and Supporting 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) Extension of Retail Relief Scheme for 2022-2023 only
 - b) Extension to the Transitional & Supporting Small Businesses scheme 2022/2023 only
 - c) Covid-19 Additional Relief Fund 2021/2022 backdated award
 - d) Business Support Grants Omicron Hospitality and Leisure Grant one off grants of up to £6,000
2. The Retail, Hospitality and Leisure business rate relief has been continued for the 2022/2023 financial year at a rate of 50%. This will be up to a cash cap limit of £110,000. The relief applies to occupied retail, leisure, hospitality, and certain other high street businesses, the scheme is not limited by rateable value. Businesses have the option to opt out of this relief but once they have opted out, they do not have the option to opt back into the scheme.
3. Extension of Transitional & Supporting Small Businesses scheme. Properties that will benefit will be those with a rateable value up to and including £100,000. These schemes were due to end on the 31st of March 2022 and as a result a small number of rate payers would have seen a jump to their full rates bill from 1st April 2022.
4. Covid-19 Additional Relief Fund 2021/2022 only, the fund will be available to support those businesses affected by the pandemic, but that were ineligible for existing support linked to business rates. The Council has been given a funding of £2,413,406 to allocate to businesses.
5. Omicron Hospitality and Leisure Grant, the scheme provides a one-off grant to support hospitality, leisure, and accommodation businesses in recognition that the rise of the Omicron variant means that some businesses are likely to struggle over the coming weeks. The grant is payable to businesses occupying rate paying premises and the level of the award is based on rateable value.

Recommendations

6. It is requested that the Council approves the updated Business Rates Relief Policy as set out in this report and Appendix A, using its discretionary powers under S47 of the Local Government Act 1988 (as amended) to include;
 - a) Extension of Retail Relief Scheme for 2022-2023 only
 - b) Extension to the Transitional & Supporting Small Businesses scheme 2022/2023 only

7. It is further requested that Council notes this report for the additional Covid 19 grants and funding, set out in this report and Appendices B and C determined by an urgent Officer Decision
 - c) the Omicron Hospitality and Leisure Grant
 - d) Covid 19 Additional Relief Funding (CARF)

Financial Implications

8. 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.
9. All grant payments will be fully reimbursed using a grant under S31 of the Local Government Finance Act 2003.
10. New burdens funding will also be provided to support the cost of the administration of the new reliefs and grants.

Background Papers

11. 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.

[2022/23 Retail, Hospitality and Leisure Relief Scheme: local authority guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/2022-23-retail-hospitality-and-leisure-relief-scheme-local-authority-guidance)

[Extension to Transitional Relief and Supporting Small Businesses Scheme](#)

[Covid-19 Additional Relief Fund](#)

[Omicron Hospitality and Leisure Grant: guidance for Local Authorities \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/guidance/2022-03-16-omicron-hospitality-and-leisure-grant-guidance-for-local-authorities)

Impact

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

12. In response to the Corona Virus emergency and subsequent trading restrictions on businesses, the government have provided additional support for businesses whilst they were unable to operate.
13. This support consists of the extension to the retail, hospitality and leisure relief and the transitional and supporting small businesses scheme for 2022/23. In addition a Covid 19 Retail Relief (CARF) scheme to provide retrospective support for 2021/22.
14. The Government also provided a grant to be awarded for 2021/22 to provide one off support during the period when the Omicron variant impacted businesses.
15. Both the Omicron Grant and the CARF were required to be awarded in the financial year 2021/22, these were announced in December 2021 with guidance issued in January with a requirement to implement both schemes as soon as possible and with scheme closing dates of 18 March for the Omicron Grant and end of the financial year for the CARF.
16. Due to the above timelines it was not possible to present these via the normal Council approval process and they required an urgent Officer decision.

Retail Hospitality and Leisure Relief

17. 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. For the 2022/2023 year this relief will continue at 50% with a rateable value cap of £110,000.
18. The award is subject to subsidy under the COVID-19 Business grant subsidy allowances.
19. The eligibility criteria are available in 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.
20. 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:
 - As shops, restaurants, cafes, drinking establishments, cinemas and live music venues
 - For assemble and leisure
 - As hotels, guest and boarding premises and self-catering accommodation
21. Excluded businesses include.
 - Financial services (e.g., banks, building societies, cash points, bureaux de change, short-term loan providers, betting shops)
 - Medical services (e.g., vets, dentists, doctors, osteopaths, chiropractors)
 - Professional services (e.g., solicitors, accountants, insurance agents/ financial advisers, employment agencies, estate agents, letting agents)
 - Post office sorting offices
 - Hereditaments that are not reasonably accessible to visiting members of the public
22. In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, billing authorities may not grant the discount to themselves certain

precepting authorities (e.g., a parish or county council) or a functional body, within the meaning of the Greater London Authority Act 1999.

23. Hereditaments that are currently excluded from this relief are professional and financial services, medical services, post office sorting establishments and Car Parks.
24. 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.

Covid-19 Additional Relief Fund (CARF)

25. Each Local Authority is required to build its own scheme, however this scheme should be targeted towards those businesses that were ineligible for any other Covid support package. The Council's policy is set out in Appendix B.
26. The £1.5 billion will be allocated to local authorities based upon the estimated rateable value in each local authority rating list which falls within the scope of the fund, weighted for the Gross Value Added (GVA) impacts of COVID-19 per sector. The Council intend to use this rationale with which to distribute the funding of £2,413,406 allocated to Uttlesford.
27. In developing their schemes local authorities must.
 - a. not award relief to ratepayers who for the same period of the relief either are or would have been eligible for the Extended Retail Discount (covering Retail, Hospitality and Leisure), the Nursery Discount or the Airport and Ground Operations Support Scheme (AGOSS),
 - b. not award relief to a hereditament for a period when it is unoccupied (other than hereditaments which have become closed temporarily due to the government's advice on COVID-19, which should be treated as occupied for the purposes of this relief), and
 - c. direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact
28. Businesses must not exceed the subsidy limits and grant payments will be taxable.

Omicron Hospitality and Leisure Grant

29. The Omicron Hospitality and Leisure Grant will provide a grant of up to £6,000 for all eligible hereditaments as follows. Uttlesford will receive funding of £972,072.00 to administer this scheme. The Council's policy is set out in Appendix C.

Property RV	Amount of grant funding
15,000 and under	£2,667
15,001 to 50,999	£4,000
51,000 and over	£6,000

30. To be eligible for the grant businesses must.
 - businesses must have been trading as of 30 December 2021
 - businesses must be rated for business rates

- businesses must not be in liquidation, dissolved, struck off or subject to a striking-off notice or under notice
- business premises must be occupied as of 30 December 2021, **void premises are not eligible for the grants**
- grants will be paid to the rate payer as of 30 December 2021
- businesses must not have exceeded the maximum subsidy limits
- And fall under one of the following categories.

Hospitality definition - defined as a business whose main function is to provide a venue for the in person (dine in) consumption and sale of food and drink, to the general public

Leisure definition - a business that provides opportunities, experiences, and facilities, in particular for culture, recreation, entertainment, celebratory events, days and nights out, betting and gaming

Accommodation definition - a business whose main lodging provision is used for holiday, travel, and other purposes

31. Examples of excluded businesses would include Food Kiosks and takeaways, where the business takes 50% or more of its income from takeaway sales; All retail businesses, coach tour operators and tour operators; Private dwellings, education accommodation, residential homes, care homes, residential family centres, beach huts.
32. 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.
33. The eligibility criteria are set out in detail in the guidance notes in paragraph 9 (Background Papers) and within each of the attached policies at Appendices A, B and C.

Risk Analysis

34.

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.