




<b>Report to:</b>	Cabinet		
<b>Date of meeting:</b>	7 <sup>th</sup> March 2022		
<b>Report of:</b>	Sue Johnson Deputy Chief Executive	<b>Report Number:</b>	31820
<b>Reporting Officer:</b>	Phil Rimmer Assistant Director Revenues, Benefits and Customer Services	<b>Telephone Number:</b>	01204 331541
<b>Contact Officer:</b>	Phil Rimmer Assistant Director Revenues, Benefits and Customer Services	<b>Telephone Number:</b>	01204 331541
<b>Report title:</b>	Business Rates Relief Schemes 2022		
<b>Not confidential</b>  This report does not contain information which warrants its consideration in the absence of the press or members of the public.			
<b>Purpose:</b>	To approve implementation of the new schemes.		
<b>Recommendations:</b>	Cabinet is recommended to approve: <div><div>1.</div><div>the Retail Hospitality and Leisure Business Rates Relief scheme as set out at 2.2;</div></div> <div><div>2.</div><div>the Extension of Transitional Relief and Supporting Small Business Relief scheme as set out at 3.3, and,</div></div> <div><div>3.</div><div>the opening of the Covid-19 Additional Relief Fund (CARF) for applications from 1 March 2022 – section 4.</div></div>		
<b>Decision:</b>			
<b>Background documents:</b>	<div><div> Retail Hospitality and Leisure Relief Scheme</div><div> Extension of Transitional Relief and</div><div> CARF_LA_Guidance 15dec21.pdf</div></div>		

Consultation with other officers			
Finance	Yes	15/02/2022	Sue Johnson
Legal	Yes	15/02/2022	Helen Gorman
HR	Yes/No	Insert date	NA
Procurement	Yes/No	Insert date	NA
Climate Change	Yes/No	Insert date	NA
Equality Impact Assessment	Yes	15/02/2022	Rebecca Albrow



## **1. INTRODUCTION & BACKGROUND**

- 1.1. In recent months the Government has announced new business support measures in the form of relief on business rates bills:
- Retail, Hospitality and Leisure Business Rates Relief Scheme
  - Extension of Transitional Relief and Supporting Small Business Relief schemes in 2022/23
  - Covid-19 Additional Relief Fund (CARF)
- 1.2 The aim of this report is to provide a summary of the schemes and gain approval for their implementation.

## **2. RETAIL, HOSPITALITY AND LEISURE BUSINESS RATES RELIEF SCHEME**

- 2.1 This is a business rates specific measure that will need to be implemented as part of the 22/23 annual billing process.
- 2.2 The guidance for this scheme was published by DHULC on 21 December 2021. It provides for a 50% rates relief in 22/23 to be granted on occupied hereditaments that are wholly or mainly being used:
- i. as shops, restaurants, cafes, drinking establishments, cinemas or live music venues
  - ii. for assembly and leisure; or
  - iii. as hotels, guest & boarding premises or self-catering accommodation
- 2.3 For the 22/23 Retail, Hospitality and Leisure Relief scheme it is not the case that all businesses eligible in 21/22 will be eligible in 22/23 due to the introduction of a £110,000 national cash cap per business (which no Council can verify from their own records) in addition to Subsidy limits. Given the limited time to verify eligibility before annual billing, due to the need to implement two new grant schemes, all businesses will be provided with eligibility information and how to apply as part of the 22/23 annual billing process (a notice with the bills).
- 2.4 It is estimated over 1,000 businesses will benefit from this relief.

## **3. EXTENSION OF TRANSITIONAL RELIEF AND SUPPORTING SMALL BUSINESS RELIEF**

- 3.1 This is also a business rates specific measure that will need to be implemented as part of the 22/23 annual billing process.
- 3.2 The transitional relief scheme was introduced in 2017 to help those ratepayers who were faced with higher bills as a result of the revaluation. The scheme ends on 31 March 2022, as a result a small number of ratepayers would face a jump to their full rates bill from 1 April 2022.

**3.3** At the Budget on 27 October 2021 the government therefore announced that it would extend the current transitional relief scheme and the supporting small business scheme into 22/23 via the granting of a Local Discount. The scheme will restrict increases in bills to 15% for businesses with small properties (up to and including £20,000 rateable value) and 25% for medium properties (up to and including £100,000 rateable value). The guidance for the scheme was published on 21 December 2021.

**3.4** It is estimated approximately 65 businesses will benefit from this relief.

#### **4. COVID-19 ADDITIONAL RELIEF FUND (CARF)**

**4.1** The Government announced in March 2021 plans to provide an additional business rates support package, worth £1.5 billion, to support businesses in England affected by COVID-19 but not eligible for existing support linked to business rates.

**4.2** On 15 December 2021 guidance on this scheme was provided to billing authorities.

**4.3** The support is being provided following legislation being passed that prevents businesses from appealing to the Valuation Office Agency (VOA) to obtain a reduction in their rateable value using the effect of Covid-19 as the reason for the appeal. Such appeals would have been effective from March 2020.

**4.4** The relief is available to reduce chargeable amounts in respect of 2021/22 and those eligible for inclusion in the scheme are:

1. Ratepayers with a business rates occupied charge to pay after the deduction of other relief subject to Subsidy limits, and
2. Who don't receive or are eligible for Relief Discount or Nursery Discount in 21/22, and
3. Who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.

**4.5** The businesses eligible for Retail/Nursery Discount (and so not eligible for CARF) would have had 100% relief in 20/21 and, in most cases, 75% relief in 21/22. Many will also receive 50% relief in 22/23 hence their exclusion from CARF.

**4.6** The relief cannot be used to reduce empty rate charges.

**4.7** Applications will also not normally be considered for the following hereditaments:

- Premises and land used for personal use or storage.
- Car parking spaces that are not run as a commercial business.
- Utilities and communications infrastructure
- Central and local government and NHS infrastructure.

**4.8** Bolton's funding allocation amounts to £5,697,827. As with any discretionary scheme the greatest challenge is understanding what level of demand there will be against these funds, whilst awarding the relief as quickly as possible.

**4.9** It is therefore proposed that an application period begins from 1 March 2022 and runs throughout that month. This will enable the level of demand to be better

established and assist in calculating the actual relief (as a percentage of the 21/22 net business rates charge) that can be awarded.

**4.10** In order for an application to be considered, we will require businesses to demonstrate that they meet the eligibility criteria stated above. We anticipate that to do this, applicants will need to provide:

- Evidence to demonstrate a substantial loss of income as a result of the COVID-19 pandemic. This is likely to be in the form of accounts/bank statements/management accounts for previous years and management accounts / bank statements for the current period.
- Confirmation that the business has not received any relief or discount under the relief schemes mentioned at 4.4 above.
- Confirmation of Subsidy Allowance compliance.

**4.9** The percentage(s) being proposed to be granted will then be reported for approval prior to the awards being made in April 2022.

## **5. IMPACTS AND IMPLICATIONS:**

### **5.1 Financial**

5.1.1 The Retail, Hospitality and Leisure Relief and Extension of Transitional Relief and Supporting Small Business Relief schemes are fully funded by Government and so there are no financial implications for the Council.

5.1.2 The CARF scheme is a discretionary scheme for which a maximum funding amount of £5,697,827 is being provided. It is therefore essential that the scheme does not commit to total awards greater than this value.

### **5.2 Legal**

5.2.1 As set out in this report.

### **5.3 HR**

5.3.1 None

### **5.4 Climate Change**

5.4.1 None

### **5.5 Other**

5.5.1 None

## **6. EQUALITY IMPACT ASSESSMENT (EIA)**

6.1. Under the Equality Act 2010, the council has a general duty to have due regard to the need to:

1. **eliminate unlawful discrimination**, harassment, victimisation and any other conduct prohibited by the Act.
2. **advance equality of opportunity** between people who share a protected characteristic and people who do not share it; and
3. **foster good relations** between people who share a protected characteristic and people who do not share it.

6.2. It is important to consider how the proposals contained within this report may impact positively or negatively on protected characteristics. It has been determined that due to the nature of the proposals, support will be available to all groups within the community and consequently it is not anticipated that the proposals within this report will have a differential impact on any of Bolton's diversity groups, including staff. A full EIA is therefore not required at this stage.

## **7. CONSULTATION**

7.1. There are no requirements to conduct a consultation

## **8. VISION 2030**

8.1. The proposals are aimed at providing support to businesses that have been impacted by the pandemic and consequently will help to support the key Vision 2020 outcome of Prosperous.

## **9. RECOMMENDATIONS**

Cabinet is recommended to approve:

1. the Retail Hospitality and Leisure Business Rates Relief scheme as set out at 2.2;
2. the Extension of Transitional Relief and Supporting Small Business Relief scheme as set out at 3.3, and,
3. the opening of the Covid-19 Additional Relief Fund (CARF) for applications from 1 March 2022 – section 4.