

# PORTFOLIO HOLDER FOR CORPORATE FINANCE AND GOVERNANCE

27 MARCH 2023

## REPORT OF ASSISTANT DIRECTOR (FINANCE & IT)

### **MANDATORY RETAIL, HOSPITALITY AND LEISURE BUSINESS RATE RELIEF SCHEME 2023/24 – ADOPTION OF A LOCAL SCHEME**

#### **PART 1 – KEY INFORMATION**

##### **PURPOSE OF THE REPORT**

To present for approval a mandatory business rates relief scheme.

##### **EXECUTIVE SUMMARY**

- As part of continuing to provide financial support to businesses, the Government announced a mandatory Retail, Hospitality and Leisure business rates relief scheme for 2023/24.
- Although a mandatory scheme, individual local billing authorities have to adopt a local scheme under section 47 of the LGFA 1988 to enable rate relief to be awarded to eligible businesses.

##### **RECOMMENDATION(S)**

**It is recommended that a Local Retail, Hospitality and Leisure Business Rate Relief Scheme is adopted / administered in 2023/24 in accordance with the Government Guidance attached.**

##### **REASON(S) FOR THE RECOMMENDATION(S)**

To implement a mandatory business rate relief scheme via a locally adopted scheme in accordance with associated Government guidance.

##### **ALTERNATIVE OPTIONS CONSIDERED**

N/A - the scheme set out reflects the Government's mandatory relief scheme guidance.

#### **PART 2 – IMPLICATIONS OF THE DECISION**

##### **DELIVERING PRIORITIES**

Although the scheme sets out a mandatory Government relief scheme, it does support the key Council priority of supporting existing local businesses.

##### **OUTCOME OF CONSULTATION AND ENGAGEMENT**

N/A

##### **LEGAL REQUIREMENTS (including legislation & constitutional powers)**

<b>Is the recommendation a Key Decision</b>	<b>No</b>	<b>If Yes, indicate by which criteria it is a Key</b>	

<b>(see the criteria stated here)</b>		<b>Decision</b> <b>And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)</b>	
<p>As part of the report to Cabinet on 27 January 2023 the following delegation was agreed:</p> <p><i>(d) approves a delegation to the Portfolio Holder for Corporate Finance and Governance, to agree / adopt a Retail, Hospitality and Leisure mandatory business rate relief scheme for 2023/24;</i></p> <p>As the business rate reliefs are a temporary measure for 2023/24 only, the government is not changing the legislation relating to the reliefs available to properties. Instead, the Government will, in line with the eligibility criteria set out in the associated guidance, reimburse local authorities that use their discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended) to grant relief. It will be for individual local billing authorities to adopt a local scheme and determine in each individual case when, having regard to the associated guidance, to grant relief under section 47.</p>			
<b>N/A</b>	<b>The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:</b>		
<p>This reports sets out a proposed mandatory business rate relief scheme to be adopted as a local scheme under S47 of the Local Government Finance Act 1988 and reflects the delegation to the Portfolio Holder as set out elsewhere within this report which was agreed as part of an earlier Cabinet report.</p>			
<b>FINANCE AND OTHER RESOURCE IMPLICATIONS</b>			
<p><b>Finance</b></p> <p>As this is a mandatory business rate relief scheme, the ‘cost’ of the reliefs will be fully reimbursable by the Government as part of the existing arrangements associated with the administration of business rates.</p> <p>Although there may be timing issues between receipt of the associated funding from the Government and the impact of awarding the relief, this will be managed within existing processes including those at the end of the year via the collection fund / reserves.</p> <p><b>Resource implications</b></p> <p>The new business rate reliefs will be administered within existing Revenues and Benefits Officer capacity, with internal arrangements made to effectively manage the wider workload within the service.</p>			
<b>Yes</b>	<b>The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:</b>		

The S151 Officers is the author of the report.

#### **USE OF RESOURCES AND VALUE FOR MONEY**

The following are submitted in respect of the indicated use of resources and value for money indicators:

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	N/A
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B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	N/A
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C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	N/A
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#### **MILESTONES AND DELIVERY**

Business Rate bills issued for 2023/24 during March and throughout 2023/24 will include the new business rate reliefs where the ratepayer is eligible.

#### **ASSOCIATED RISKS AND MITIGATION**

Not applicable as this report seeks to establish a mandatory business rate relief scheme. However any delay in enabling the reliefs would adversely impact the Council's reputation and potentially collection performance if amounts due are disputed by the relevant ratepayer.

The relevant business rate reliefs have been calculated and applied to bills in advance of this decision to ensure bills can be distributed as timely as possible.

#### **EQUALITY IMPLICATIONS**

None

#### **SOCIAL VALUE CONSIDERATIONS**

None

#### **IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030**

None

#### **OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS**

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

<b>Crime and Disorder</b>	None
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<b>Health Inequalities</b>	None
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<b>Area or Ward affected</b>	All Wards
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### **PART 3 – SUPPORTING INFORMATION**

#### **BACKGROUND AND CURRENT POSITION**

As part of continuing to provide financial support to businesses, the Government have

announced a mandatory Retail, Hospitality and Leisure business rates relief scheme for 2023/24. Although limited by a 'cash' cap of £110,000, the scheme enables business rate relief of up to 75% to be awarded to those businesses who directly operate within the retail, hospitality and leisure sectors.

As highlighted in the budget report considered by Cabinet in January, as the scheme is in effect a mandatory scheme prescribed by the Government with no local discretions applicable, the adoption of a scheme is therefore primarily a governance issue.

However as highlighted within the Legal Implications section above, individual local billing authorities will need to adopt a local scheme to enable to grant relief under section 47 of the LGFA 1988.

In terms of a local scheme, the recommendations above seek approval to adopt the attached Government guidance as the Council's local scheme.

#### **PREVIOUS RELEVANT DECISIONS**

**Cabinet Report 27 January 2023 – A.4 Updated General Fund Financial Forecast Including Proposed Budget Changes in 2022/23 Along with Budget Proposals for 2023/24.**

#### **BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL**

None

#### **APPENDICES**

**Attachment 1 - Government Guidance Relating to Mandatory Business Rates Relief Scheme.**

#### **REPORT CONTACT OFFICER(S)**

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