

PORTFOLIO HOLDER FOR FINANCE AND GOVERNANCE

20 MARCH 2024

REPORT OF ASSISTANT DIRECTOR (FINANCE & IT)

A.1 MANDATORY RETAIL, HOSPITALITY AND LEISURE BUSINESS RATE RELIEF SCHEME 2024/25 – 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 the continuation of the mandatory Retail, Hospitality and Leisure business rates relief scheme for 2024/25.
- 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 2024/25 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)

Is the recommendation	No	If Yes, indicate by which criteria	

a Key Decision (see the criteria stated here)		it is a Key Decision 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)	
<p>As part of the report to Cabinet on 26 January 2024 the following delegation was agreed (Minute No. 78):</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 2024/25;</i></p> <p>As the business rate reliefs are a continuation of broadly temporary measures to support businesses, 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>			
Yes	The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:		
<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>			
FINANCE AND OTHER RESOURCE IMPLICATIONS			
<p>Finance</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>Resource implications</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>			

Yes	The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:
The S151 Officer 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
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	N/A
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
MILESTONES AND DELIVERY	
Business Rate bills issued for 2024/25 during March and throughout 2024/25 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.	
Crime and Disorder	None
Health Inequalities	None
Area or Ward affected	All Wards

PART 3 – SUPPORTING INFORMATION

BACKGROUND AND CURRENT POSITION

As part of continuing to provide financial support to businesses, the Government have announced the continuation of the mandatory Retail, Hospitality and Leisure business rates relief scheme for 2024/25. 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 26 January 2024 – A.4 Updated General Fund Financial Forecast / Budget 2024/25.

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

None

APPENDICES

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

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