
REPORT TO:	Leader – Cllr Richard Cooper Cabinet Member Resources, Enterprise and Economic Development – Cllr Graham Swift
DATE:	31 March 2020
SERVICE AREA:	Finance
REPORTING OFFICER:	Revenues, Welfare and Customer Services Manager (<i>Julie Gillett</i>)
SUBJECT:	COVID-19: support for businesses: Non-domestic discretionary rates relief policy 2020
WARD/S AFFECTED:	ALL DISTRICT
FORWARD PLAN REF:	N/A

1.0 PURPOSE OF REPORT

To seek approval using the urgency procedure set out in the Council's constitution for changes to the discretionary rates relief policy from April 2020 following the Government response to economic impact of the Covid-19 coronavirus.

2.0 RECOMMENDATION/S

- 2.1 The Non-domestic discretionary rates relief policy (Appendix A) is implemented from 1 April 2020 to reflect the additional national business rate measures

3.0 RECOMMENDED REASON/S FOR DECISION/S

- 3.1 The policy includes the changes necessary to implement the national additional business rate measures to support local businesses and communities through the impact of the coronavirus. These measures apply to 2020/21 only.

4.0 ALTERNATIVE OPTION/S CONSIDERED AND RECOMMENDED FOR REJECTION (*Must be used for reports to Cabinet & Cabinet Members*)

To continue with the current Non-domestic discretionary rate relief policy and not allow for the proposed additional areas of relief to be included. This

would mean vital support needed by local businesses and the community following the coronavirus crisis could not be provided.

5.0 THE REPORT

- 5.1 Discretionary rates relief allows Local Authorities to have some flexibility in areas of relief awarded to businesses to support the local economy and/or focus on specific areas for development.
- 5.2 The policy was last reviewed in 2018 to introduce additional areas and had recently been updated to include national legislation changes for the financial year 2020/21 prior to the coronavirus crisis.
- 5.3 The Government has announced additional business rates measures that can apply from 1 April 2020 in response to the coronavirus. These temporary measures, which only relate to 2020/21 financial year are:
- retail rate discount increased to 100% and expanded to the leisure and hospitality sectors. The removal of exclusions so retail, leisure, and hospitality properties forced to close as a result of the COVID-19 restriction measures will be eligible
 - The removal of the £51,000 rateable value threshold for the expanded retail discount
 - Introduction of pub discount of £5000 for pubs with rateable value less than £100,000
 - Introduction of 100% discount for childcare providers with no rateable value limit
- 5.4 As these are measures for 2020/21 only the Government is not changing the legislation relating to reliefs available to properties. Instead the local authority should use their discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended), to grant the above relief. It is up to each local authority to adopt a local scheme and determine each individual case, having regard to the provided Government guidance.
- 5.5 The Non Domestic Discretionary Rates Relief Policy has been updated to reflect these changes and include the eligibility criteria set out in the guidance. Section 2.2.2 has been updated to include the nursery discount. Section 2.2.9 has been updated to cover the expanded retail rate discount. Section 2.2.12 has been updated to reflect the increased amount of pub relief
- The updated policy can be found at **Appendix A**. No areas of relief have been removed.
- 5.6 Given the importance of the additional support measures for local businesses, we are ensuring revised bills are issued as quickly as possible to qualifying ratepayers and confirm that they will not need to pay any rates for financial year 2020/21.

6.0 REQUIRED ASSESSMENTS AND IMPLICATIONS

6.1 The following were considered: Financial Implications; Human Resources Implications; Legal Implications; ICT Implications; Strategic Property/Asset Management Considerations; Risk Assessment; Equality and Diversity (the Public Sector Equality Duty and impact upon people with protected characteristics). If applicable, the outcomes of any consultations, assessments, considerations and implications considered necessary during preparation of this report are detailed below.

6.2 **Financial Implications:**

Where a local authority uses their discretionary power to grant relief the Government will fully reimburse for that local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003).

Central government will reimburse billing authorities and major precepting authorities for the actual cost to them under the rate retention scheme of the relief. If the amount of discretionary relief granted in 2020/21 is greater than this, this would, all other things being equal, result in a deficit on the Collection Fund, which would need to be recouped in future years. The cost of this would be divided as follows:

Harrogate Borough Council 40%
North Yorkshire County Council 9%
Central Government 50%
North Yorkshire Fire and Rescue 1%

The amount of these government funded reliefs is 100% of the bill after mandatory reliefs and other discretionary reliefs, such as charity, small business rate reliefs are applied excluding those where local authorities have used their wider discretionary relief powers.

The 50% childcare provider local discount previously included in the Non-domestic discretionary relief policy 2020 will be replaced by the new government funded 100% discount.

Legal - Given the government advice to avoid all non-essential contact and stay at home neither the Leader nor the Cabinet Member wish to refer the matter to an Urgency Committee or full Council as these options require meetings in person to be convened. The constitution provides for the Leader and Cabinet Member to take a decision if it is a matter of urgency. Urgent decisions are decisions which need to be taken as soon as possible in order to obtain a benefit for, or avoid or mitigate harm to, the District as a whole. The decisions proposed fall within this definition. Procedurally the Chair of the Overview & Scrutiny Commission, Cllr Aldred needs to agree to the decision being taken as a matter of urgency. Cllr Aldred has been sent a copy of this report and on 31 March 2020 agreed that it was a decision that needed to be taken urgently.

7.0 CONCLUSIONS

The proposed extended and additional amendments are vital to support businesses in the district which in turn support the development of the local economy.

Local authorities will be fully compensated for the loss of income associated with granting the expanded and additional relief and the Government will meet the associated new burdens funding to cover the administrative costs of implementation.

Background Papers –

<https://www.gov.uk/government/publications/business-rates-retail-discount-guidance>

OFFICER CONTACT: Please contact Julie Gillett (Revenues, Welfare and Customer Services Manager), if you require any further information on the contents of this report. The officer can be contacted by e-mail – julie.gillett@harrogate.gov.uk