



## **CABINET– 23<sup>RD</sup> FEBRUARY 2022**

**SUBJECT: WELSH GOVERNMENT RETAIL, LEISURE & HOSPITALITY RATE RELIEF SCHEME 2022/2023**

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES**

### **1. PURPOSE OF REPORT**

- 1.1 The Welsh Government (WG) has announced a new temporary business rate relief scheme, the 'Retail, Leisure and Hospitality Rate Relief Scheme' for the financial year 2022/23 only.
- 1.2 Relief granted by the Authority under this new scheme is to be reimbursed by WG by way of a specific cash-limited grant but, before any relief is awarded, the Authority must consider and adopt the new scheme.
- 1.3 This report recommends that the Council endorses the new relief scheme in accordance with the WG guidance set out in Appendix 1.

### **2. SUMMARY**

- 2.1 The report provides details of the new 'Retail, Leisure and Hospitality Rate Relief Scheme' offered by WG for 2022/23 only.
- 2.2 Adoption of the new scheme as set out at Appendix 1 is obligatory because WG has prescribed the details for the scheme. The Authority must formally adopt the new scheme set out in the guidance at Appendix 1 to obtain the WG grant funding.

### **3. RECOMMENDATIONS**

- 3.1 Cabinet is asked to:
  - 3.1.1 Endorse the 'Retail, Leisure and Hospitality Rate Relief Scheme 2022-23' (the 2022/23 Scheme), in accordance with the guidance set out at Appendix 1 and the provisions of section 47(1) (a) and section 47(3) of the Local Government Finance Act 1988.
  - 3.1.2 Note that the Head of Financial Services & S151 Officer will use delegated powers to award the relief.

- 3.1.3 Support the proposal set out in paragraph 5.7 that in order to assist ratepayers and minimise administration costs for the Authority, it is proposed that the declaration process will involve each eligible business completing and submitting an online form via the Council's website, with the Council's Business Rates Team aiming to process all declaration forms received as quickly as possible and issue amended bills to eligible ratepayers in accordance with the WG guidance.
- 3.1.4 Note that Officers of the Authority will make the business community aware of the 2022/23 Scheme through its usual channels, including its website and social media. In addition, Cabinet is asked to agree as set out in paragraph 5.8 that, due to the proximity of this report to the 2022/23 annual billing processes, the Business Rates Team will, where an email address is held for a business that is receiving this relief for the 2021/22 financial year, email those ratepayers informing them that the 2022/23 rate bills will be issued without showing this relief. The email will refer them to the Council's website so they can read the WG guidance before submitting a declaration form.

#### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 To ensure that the Authority complies with the grant conditions to obtain and fully utilise the grant funding in respect of any rate relief awarded under the WG Scheme as detailed in the guidance set out at Appendix 1.

#### **5. THE REPORT**

- 5.1 WG has announced the 'Retail, Leisure and Hospitality Rate Relief Scheme 2022/23' (the 2022/23 Scheme). It is intended that the relief under the 2022/23 Scheme will be made available subject to the Authority adopting the new Scheme as set out in the guidance at Appendix 1 and accepting the grant offer.
- 5.2 Appendix 1 of this report is a guidance document issued by WG which in effect prescribes the detailed criteria and conditions for the 2022/23 Scheme. The 2022/23 Scheme is aimed at businesses in Wales in the retail, leisure and hospitality sectors, for example shops, pubs and restaurants, gyms, performance venues and hotels.
- 5.3 The 2022/23 Scheme aims to provide support for eligible occupied properties by offering a discount of 50% on non-domestic rate bills for such properties. The scheme will apply to all eligible businesses; however, the relief will be subject to a cap in the amount each business can claim across Wales. The total amount of relief available is £110,000 across all properties occupied by the same business. Another change compared to the previous two schemes is that all businesses are required to make a declaration that the amount of relief they are seeking across Wales does not exceed this cap, when applying to individual local authorities. To do this, business rate payers will have to complete and submit an online declaration form that will be made available on the Council's website in early March 2022, along with a link to the Welsh Government's guidance document.
- 5.4 Due to the need for the Authority to formally adopt the 2022/23 Scheme, and the relatively short time period between this process concluding and the 2022/23 annual billing processes commencing on 2<sup>nd</sup> March 2022, the new financial year rate bills will be issued before any rate relief can be awarded under the Scheme. However, the Business Rate Team will aim to process all declaration forms received as quickly as possible so that businesses receive amended rate bills as a matter of urgency.

- 5.5 As this is a temporary measure for 2022/23 only, WG will provide the relief by reimbursing local authorities that use their discretionary relief powers under section 47 of the Local Government Finance Act 1988. It will be for individual local authorities to adopt a scheme and decide in each individual case when to grant relief under section 47.
- 5.6 WG will reimburse local authorities for the relief that is provided in line with the WG guidance via a grant under section 31 of the Local Government Act 2003 and section 58A of the Government of Wales Act 2006. WG has estimated the grant for Caerphilly CBC to be £3.2m. Officers estimate that the full cost of the scheme could be nearer £3.4m and so WG has been advised of the need to increase this allocation accordingly.
- 5.7 In order to qualify for this rate relief, the guidance states that it will be for local authorities to determine how they wish to administer the scheme. To assist ratepayers and minimise administration costs for the Authority, it is proposed that the declaration process will involve each eligible business completing and submitting an online form via the Council's website. As explained in paragraph 5.4, the Council's Business Rate Team will aim to process all declaration forms received as quickly as possible and issue amended bills to eligible ratepayers in accordance with the WG guidance.
- 5.8 Due to a declaration process being introduced for the 2022/23 Scheme, the Council's Business Rate Team will, where an email address is held for a business that is receiving this relief for the 2021/22 financial year, email those ratepayers informing them that the 2022/23 rate bills will be issued without showing this relief. The email will refer them to the Council's website so they can read the WG guidance before submitting a declaration form. In addition, officers will make the business community aware of the 2022/23 Scheme through its usual channels, including its website and social media.
- 5.9 Full details of the Scheme, including the qualifying criteria, are included in the guidance set out at Appendix 1.

## **Conclusion**

- 5.10 The report provides details of a new rate relief scheme offered by WG and attaches at Appendix 1 details of the new scheme. Adoption of the new scheme as set out at Appendix 1 is obligatory because WG has prescribed the details for the scheme.
- 5.11 The Authority must formally adopt the new scheme set out in the guidance at Appendix 1 to obtain the WG grant funding. In order to implement the new scheme, Cabinet is asked to endorse the recommendations set out in paragraphs 3.1.1 to 3.1.4 of this report.

## **6. ASSUMPTIONS**

- 6.1 It is assumed that the recommendations in the report will maximise the use of the grant funding in terms of the amount of rate relief awarded, whilst minimising the staff/administrative costs incurred in awarding the rate relief.

## **7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

- 7.1 An Integrated Impact Assessment has not been completed because the rate relief available under the Scheme will be awarded based on WG's terms and conditions which the Authority is administering behalf of WG.

This report sets out an overview of the Scheme. Full details of the Scheme, including the qualifying criteria, are included in the guidance set out at Appendix 1. Awarding this rate relief for the financial year 2022/23 will positively benefit those ratepayers who will receive it by reducing the amount of business rates they would otherwise have to pay. Awarding rate relief reduces business rate bills which lowers the running costs of premises and in turn may enable businesses to maintain or enhance employment opportunities. Not progressing with the proposal could have the reverse negative impact as those ratepayers would not benefit from a reduction in business rates payable.

## **8. FINANCIAL IMPLICATIONS**

- 8.1 There are no direct financial implications as the Authority will be reimbursed by WG for any relief granted, provided it can evidence that the expenditure falls within the terms of the 'Retail, Leisure and Hospitality Rate Relief 2022/23' grant offer.
- 8.2 Based on an initial WG assessment of qualifying businesses for the 'Retail, Leisure and Hospitality Rate Relief Scheme 2022/23', the funding estimate available to Caerphilly CBC is £3.2m. Officers estimate that the full cost of the scheme could be nearer £3.4m and so WG has been advised of the need to increase this allocation accordingly.

## **9. PERSONNEL IMPLICATIONS**

- 9.1 There will be some staff resource implications but longer-term capacity issues are being considered by the Head of Financial Services & Section 151 Officer.

## **10. CONSULTATIONS**

- 10.1 There are no consultation responses that have not been reflected in this report.

## **11. STATUTORY POWER**

- 11.1 Local Government Finance Act 1988, Government of Wales Act 2006, and Local Government Act 1972, 2000 and 2003. The decision as to whether to adopt the WG 'Retail, Leisure and Hospitality Rate Relief Scheme 2022/23' may be taken by Cabinet. The Head of Financial Services & S151 Officer will use delegated powers to award the relief.

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Appendices:

Appendix 1 – Retail, Leisure and Hospitality Rates Relief in Wales 2022-23 – Guidance