
REPORT TO:	Management Board/ Cabinet
DATE:	28 March 2022/ 30 March 2022
SERVICE AREA:	Finance
REPORTING OFFICER:	Revenues, Welfare and Customer Services Manager (<i>Julie Gillett</i>)
SUBJECT:	Non-Domestic discretionary rates relief policy report 2022/23
WARD/S AFFECTED:	ALL DISTRICT
FORWARD PLAN REF:	N/A

1.0 PURPOSE OF REPORT

To seek approval for changes to the discretionary rates relief policy from April 2022 to reflect the rate reliefs available in 2022/23 including the Government Budget announcement to support retail, hospitality and leisure properties and those ratepayers entitled to transitional relief and Supporting Small Business (SSB) Relief.

2.0 RECOMMENDATIONS

2.1 To approve the Non-domestic discretionary rates relief policy (Appendix A) to be implemented from 1 April 2022.

3.0 RECOMMENDED REASONS FOR DECISIONS

3.1 The policy includes the changes necessary to implement the national business rate measures announced by Government and the continuation of local support for businesses over and above what is available nationally to enhance the local economy.

4.0 ALTERNATIVE OPTIONS CONSIDERED AND RECOMMENDED FOR REJECTION

4.1 To continue with the current Non-Domestic discretionary rate relief policy which would not allow for the introduction of retail, hospitality and leisure relief within the district and extension of transitional relief and SSB relief as expected by Government and so is not recommended.

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 includes additional areas of relief, such as Town Centre Improvement, to actively support the Councils corporate objectives. The different categories of relief currently available are listed below:

- Business Investment in targeted growth areas
- Childcare support relief
- Hardship Relief
- Increasing the supply of high quality office space
- Mobile infrastructure rate relief
- Partly occupied (Section 44a) relief
- Re-occupation of empty listed buildings
- Retail, Hospitality and Leisure relief
- Transitional Relief and Supporting Small Business relief
- Rural rate relief
- Town centre improvement relief
- Local newspaper relief
- Discretionary relief for non-profit organisations

To date a total of £227,654 has been awarded in discretionary relief so far this year across these categories where support is met by Harrogate Borough Council. This is more than previous years mainly due to the continuation of temporary reliefs using section 47 Local Government Finance Act 1988 and relief introduced last year for any company wholly owned by the Council established for the provision of service delivery for recreation and social welfare

5.3 On 27 October 2021 the Chancellor announced the introduction of a new business rates relief scheme for retail, hospitality and leisure properties to support the businesses that make our high streets and town centres a success and help them to evolve and adapt to changing consumer demands.

5.4 The Retail, Hospitality and Leisure (RHL) relief scheme will apply from 1 April 2022 for 2022/23 financial year only. The proposed policy at Appendix A reflects the [Government's guidance for the RHL relief scheme](#) providing the following:

- 50% relief for eligible, occupied, retail, hospitality and leisure properties with a 50% relief, up to a cash cap limit of £110,000 per business.

5.5 At the Budget on 27 October 2021 the Government also announced that it would extend the current transitional relief scheme and the supporting small business scheme for one year until 31 March 2023.

5.6

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 was due to end on 31 March 2022 and would have resulted in a small number of ratepayers facing an increase to their full rates bill from 01 April 2022.

5.7

The extension of the scheme through to 31 March 2023, which is the end of the current revaluation cycle and will restrict increases in bills to 15% for small properties (up to rateable value of £20,000) and 25% for medium properties (rateable value of £20,001 to £100,000 inclusive) and is include the proposed rate relief will be awarded in line with the [Government guidance](#).

5.8

As the RHL relief and the Extension of Transitional Relief and Supporting Small Business (SSB) relief are temporary measures there is no change to legislation and local authorities are required to grant this relief using discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended). These reliefs are fully reimbursed using a grant under section 31 of the Local Government Act 2003 for the loss of income under the rates retention scheme as a result of awarding the relief.

5.9

It is proposed that eligible Childcare providers are included into the discretionary rate relief policy for 2022/23 and receive 50% rate relief. During 2020/21 and 2021/22 the Government provided Nursery discount as part of the response to the COVID-19 pandemic however this ends on 31 March 2022. Prior to the temporary Government Nursery discount the Council recognised the benefit to local communities of childcare providers to enable parents to work to support family life and the local economy and provided a 50% relief to childcare providers. It is proposed to include this relief again into the Discretionary Rate relief policy from 1 April 2022.

5.10

The Non Domestic Discretionary Rates Relief Policy 2022 has been updated to reflect these changes.

- Section 2.2.2 has been updated to reflect relief for childcare providers following the end of the Government's Nursery relief.
- Section 2.2.8 updated to reflect the new RHL relief
- Section 2.2.9 included for the Transitional Relief and Supporting Small Business relief schemes

5.11

The updated policy can be found at Appendix A.

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:

In the budget for 2022/23, as set in the NNDR1 form that was submitted to the Department for Levelling Up, Housing and Communities in January 2022, and reflected in the Council's budget, a total of £42k has been included to provide for discretionary reliefs.

If the amount of discretionary relief granted in 2022/23 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:

Central Government 50%
North Yorkshire Council 49% [ie the new unitary in place from 1 April 2023]
North Yorkshire Fire and Rescue 1%

Conversely, any underspend against the £42k would result in a surplus on the Collection Fund, which would be redistributed in future years to authorities in the proportions set out above.

7.0 CONCLUSIONS

The performance of the policy over the previous twelve months demonstrates the effectiveness of the current categories and areas of relief on offer. The proposed amendments ensure the scheme allows the national business rate reliefs to be provided and provide the needed support as businesses reopen following the national coronavirus restrictions and continues to offer local support to businesses in the district which in turn support the development of the local economy.

Background Papers – None

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