

Meeting date: 19 April 2021
Report to: Cabinet Member for Resources
Subject/report title: BUSINESS RATES RELIEF 2021/22
Report from: Director of Resources & Deputy Chief Executive
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Wards affected:

- All Wards | Bickenhill | Blythe | Castle Bromwich | Chelmsley Wood |
 Dorridge/Hockley Heath | Elmdon | Kingshurst/Fordbridge | Knowle |
 Lyndon | Meriden | Olton | Shirley East | Shirley South |
 Shirley West | Silhill | Smith's Wood | St Alphege

Public/private report: Public

Exempt by virtue of paragraph:

1. Purpose of Report

- 1.1 To provide details of the National Non-Domestic Rates Expanded Retail Discount Scheme 2021-22 announced by Government on 3 March 2021 and to present a policy for approval.
- 1.2 To provide details of the National Non-Domestic Rates Nursery (Childcare) Discount Scheme 2021-22 announced by Government on 3 March 2021 and to present a policy for approval.

2. Decision(s) recommended

- 2.1 The Cabinet Member for Resources and Delivering Value is asked to approve the Council's Expanded Retail Discount Policy for 2021-22 attached at appendix A.
- 2.2 The Cabinet Member for Resources and Delivering Value is asked to approve the Council's Nursery (Childcare) Discount Policy for 2021-22 attached at appendix B.

3. Matters for Consideration

- 3.1 The government announced additional business rates support to eligible business as part of budget announcements on 3 March 2021. Those eligible businesses include those in the retail, hospitality and leisure sectors and nurseries.

EXPANDED RETAIL DISCOUNT SCHEME

- 3.2 Since 2019/20 the government has provided a Business Rates Retail Discount for retail properties which for 2020/21 it expanded to include the leisure and hospitality sectors.
- 3.3 On 3 March 2021 the government confirmed that the Expanded Retail Discount would continue to apply in 2021/22 at 100% for three months, from 1 April 2021 to 30 June 2021, and at 66% for the remaining period, from 1 July 2021 to 31 March 2022.
- 3.4 The government confirmed that there would be no cash cap on the relief received for the period from 1 April 2021 to 30 June 2021. From 1 July 2021, relief will be capped at £105,000 per business, or £2 million per business where the business is in occupation of a property that was required, or would have been required, to close, based on the law and guidance applicable on 5 January 2021.
- 3.5 It is important to note that the 100% relief is for 3 months only from 1 April 2021 to 30 June 2021.
- 3.6 Ratepayers have the option to refuse the discount. The ratepayer may refuse the discount for each eligible hereditament anytime up to 30 April 2022. The ratepayer cannot withdraw their refusal for either all or part of the financial year.
- 3.7 Properties that will benefit from the relief are occupied hereditaments that are wholly or mainly used:
- i) As shops, restaurants, cafes, drinking establishments, cinemas and live music venues,
 - ii) For assembly and leisure; or
 - iii) As hotels, guest & boarding premises and self-catering accommodation.
- Further information detailing the types of businesses that are eligible are set out in the Expanded Retail Discount policy.
- 3.8 The government have not amended legislation for this discount, instead the Council has been given discretionary power under Section 47 of the Local Government Finance Act 1988 (as amended by the Localism Act) to apply the discount to those businesses who were eligible.
- 3.9 A local policy is required and a proposed policy is attached at appendix A. The Expanded Retail Discount policy has been drafted using guidance provided by government.
- 3.10 Based on a high level analysis of our current data this indicates that there are in the region of 1354 businesses that fall within the criteria described in 3.7.
- 3.11 In accordance with the guidance provided by government business rates bills have not been issued to the 1354 businesses. Instead a letter has been sent advising them of the relief and that a revised bill will be issued shortly. Updates to our software are required before we are able to issue revised bills and we are currently liaising with our

software provider regarding this.

NURSERY (CHILDCARE) DISCOUNT SCHEME

- 3.12 On 18 March 2020, the Government announced the business rates Nursery Discount 2020/21 as part of the response to the COVID-19 pandemic.
- 3.13 At the Budget on 3 March 2021, the Chancellor announced that the Nursery Discount would continue to apply at 100% for eligible properties for the first three months of 2021 from 1 April 2021 to 30 June 2021. Subsequently, from 1 July 2021 to 31 March 2022, the Nursery Discount will apply at 66%. From 1 July 2021, the relief will be capped at £105,000 per business.
- 3.14 It is important to note that the 100% relief is for 3 months only from 1 April 2021 to 30 June 2021.
- 3.15 Ratepayers have the option to refuse the discount. The ratepayer may refuse the discount for each eligible hereditament anytime up to 30 April 2022. The ratepayer cannot withdraw their refusal for either all or part of the financial year.
- 3.16 Properties that will benefit from the relief will be hereditaments which are occupied by providers on Ofsted's Early Years Register and which are wholly or mainly used for the provision of the Early Years Foundation Stage.
- 3.17 The government have not amended legislation for this discount, instead the Council has been given discretionary power under Section 47 of the Local Government Finance Act 1988 (as amended by the Localism Act) to apply the discount to those businesses who were eligible.
- 3.18 A local policy is required and a proposed policy is attached at appendix B. The Nursery (Childcare) Discount policy has been drafted using guidance provided by government.
- 3.19 Based on a high level analysis of our current data this indicates that there are in the region of 42 businesses that fall within the criteria described in 3.16.
- 3.20 In accordance with the guidance provided by government business rates bills have not been issued to the 42 businesses. Instead a letter has been sent advising them of the relief and that a revised bill will be issued shortly. Updates to our software are required before we are able to issue revised bills and we are currently liaising with our software provider regarding this.

4. What options have been considered and what is the evidence telling us about them?

- 4.1 Government guidance indicates that local authorities should adopt a local scheme to grant the expanded retail discount and the nursery discount scheme.

5. Reasons for recommending preferred option

- 5.1 Adopting a local scheme allows the Council to award the expanded retail discount and nursery discount to support those businesses that meet the qualifying criteria.

6. Implications and Considerations

6.1 State how the proposals in this report contribute to the priorities in the [Council Plan](#):

Priority:	Contribution:
Economy: 1. Revitalising our towns and local centres. 2. UK Central (UKC) and maximising the opportunities of HS2. 3. Increase the supply of housing, especially affordable and social housing.	Provides support to eligible businesses within the Solihull area.
Environment: 4. Enhance Solihull's natural environment. 5. Improve Solihull's air quality. 6. Reduce Solihull's net carbon emissions.	Not applicable
People and Communities: 7. Take action to improve life chances in our most disadvantaged communities. 8. Enable communities to thrive. 9. Sustainable, quality, affordable provision for adults & children with complex needs.	Not applicable

6.2 Consultation and Scrutiny:

6.2.1 This report has not been presented to a Scrutiny Board.

6.3 Financial implications:

6.3.1 The financial implications of awarding both the expanded retail discount and the nursery discount will be met in full by the Government using its provisions under Section 31 of the Local Government Act 2003

6.4 Legal implications:

6.4.1 None

6.5 Risk implications:

6.5.1 No net 'red' risks that need to be reported.

6.6 Equality implications:

6.6.1 The expanded retail discount and the nursery discount will be awarded automatically to those properties who meet the criteria. Policies for both schemes are based on government guidance.

6.6.2 Information will be placed on the Council's website so that the policies and criteria are transparent.

7. List of appendices referred to

7.1 Appendix A – Solihull Council's proposed Expanded Retail Discount Policy 2021-22

7.2 Appendix B – Solihull Council's proposed Nursery (Childcare) Discount Policy 2021-22

8. Background papers used to compile this report

8.1 None

9. List of other relevant documents

9.1 None