

Meeting:	Cabinet	Date:	16 June 2021
Subject:	Business Rates – Expanded Retail Discount 2021/22, Nursery (Childcare) Discount 2021/22		
Report of:	Cabinet Member for Performance and Resources		
Wards Affected:	All		
Key Decision:	Yes	Budget/Policy Framework:	No
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Appendices:	1. Business Rates Retail Discount local scheme – Gloucester City Council 2021-22		
	2. Business Rates Nursery (Childcare) Discount local scheme – Gloucester City Council 2021-22		
	3. Business Rates Expanded Retail Discount 2021 -22 - LA Guidance		
	4. Business Rates Nursery Childcare Discount 2021 – 22 – LA Guidance		

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 The Government announced in the 03 March 2021 budget that it will provide additional business rates support for eligible retail, hospitality, leisure and nursery businesses in England, occupying a qualifying property.

This report proposes an expanded retail discount scheme and a nursery (childcare) discount scheme, commensurate with the budget announcement of 03 March 2021, for business rates discounts to be applied to eligible retail, hospitality, leisure and nursery businesses.

2.0 Recommendations

- 2.1 Cabinet is asked to **RESOLVE** that:

- (1) the Business Rates Expanded Retail Discount scheme 2021-22 (Appendix 1) be the approved scheme for Gloucester City for 2021-22

- (2) the Business Rates Nursery (Childcare) Discount scheme 2021-22 (Appendix 2) be the approved scheme for Gloucester City for 2021-22.

3.0 Background and Key Issues

3.1 The Government announced that as a temporary measure for 2021/22:

- The expanded retail discount 2020/21 will be extended for three months for eligible properties, at 100% relief, uncapped, for the period 01 April 2021 to 30 June 2021.
- From 01 July 2021 to 31 March 2022 the expanded retail discount would apply at 66% relief for eligible properties in the scheme, with a cash cap of £2m for businesses which were required to close as at 05 January 2021, and up to £105,000 for businesses permitted to open at that date.
- The Nursery Discount 2020/21 would also be extended for three months, at 100%, uncapped, for the period 1 April 2021 to 30 June 2021.
- From 1 July 2021 to 31 March 2022 the Nursery Discount would apply at 66% relief for eligible properties, with a cash cap of £105,000.
- For the Expanded Retail Discount 2021/22 and Nursery Discount 2021/22, businesses may choose to opt out of support by providing billing authorities notification of their request to refuse support, per eligible hereditament.

3.2 The Government is not changing the legislation around reliefs available to properties – this measure is temporary for 2021-22 only.

3.3 Cabinet is being asked to approve a local scheme for business rates retail discount as detailed in appendix 1 and a local scheme for nursery business rates discount as detailed at appendix 2.

3.4 The Government will reimburse the Council for retail discount granted under the local scheme for each property awarded the discount in 2021-22. Mandatory reliefs will be applied first.

4.0 PROGRESS

4.1 The Business Rates Expanded Retail Discount scheme proposes discounts for qualifying occupied retail properties.

4.2 The Business Rates Nursery (childcare) Discount scheme proposes discounts for qualifying occupied nursery properties.

4.3 The schemes will provide a 100% discount from an eligible business's rate bill for the period 01 April – 30 June 2021, and then a 66% relief from 01 July 2021 to 31 March 2022.

- 4.4 Some businesses will already have their business rates bill reduced. Retail / Nursery Discount will be applied after mandatory reliefs and Section 31 funded discretionary reliefs have been applied
- 4.5 The full eligibility criteria and arrangements for administering the scheme are detailed in appendix 1 for retail and appendix 2 for nurseries.
- 4.6 Gloucester City Council will delegate authority to Civica Revenues and Benefits to administer the retail discount. A report will be run to identify qualifying retail premises – as outlined at Appendices 1 and 2. Where there is a clear eligibility to Expanded Retail / Nursery Discount, it will be applied to the eligible business's rates bill. Any businesses over which there may be uncertainty about account eligibility will be issued with an application form to apply for the Expanded Retail / Nursery Discount relief
- 4.7 Should there be any dispute over eligibility then an appeal can be made, and considered by the Section 151 Officer

5.0 Reasons for Recommendations

- 5.1 The 2021/22 Expanded Retail Discount and Nursery Discount is part of the Governments wider response to Coronavirus business support.

6.0 Future Work and Conclusions

- 6.1 The impact of these changes will be monitored

7.0 Financial Implications

- 7.1 The full cost of granting Business Rates Expanded Retail Discount will be met by Central Government and will be reclaimed by the local authority via the usual standard process.

8.0 Legal Implications

- 8.1 [Section 47 of the Local Government Finance Act 1988](#) (as amended by the Localism Act 2011) gives discretionary powers to Local Authorities to grant relief to reduce business rates bills.
- 8.2 The cost of relief to the Local Authority can be recovered from the Government by way of grant under [section 31 of the Local Government Act 2003](#).
- 8.3 To access the funding, the Local Authority is required to establish a discretionary scheme for administering the relief under Section 47.

9.0 Risk & Opportunity Management Implications

- 9.1 There are no risks associated as the scheme has full backing and funding from Central Government

There are potentially positive impacts from the introduction of the scheme. Local businesses such as shops, restaurants, cafes, cinemas, live music venues, drinking establishments, leisure and hospitality businesses, and nurseries will see their business rates bills fully met by the government funding for the April to June 2021 period and reduced for the remainder of the 2021-22 financial year.

10.0 People Impact Assessment (PIA):

10.1 None

11.0 Other Corporate Implications

11.1 Not applicable.

Sustainability

11.2 Not applicable

Staffing & Trade Union

11.3 Not applicable

Background Documents:

[Local Government Finance Act 1988 \(S47\)](#)

[Local Government Act 1988 \(S31\)](#)