



**COTSWOLD**  
DISTRICT COUNCIL

Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	CABINET – 13 MARCH 2023
Subject	<b>BUSINESS RATES RELIEF: 2023/2024. RETAIL, HOSPITALITY AND LEISURE SCHEME</b>
Wards affected	All
Accountable member	Cllr Mike Every – Deputy Leader and Cabinet Member with responsibility for Finance Email: mike.every@cotswold.gov.uk
Accountable officer	Mandy Fathers – Business Manager for Environmental, Welfare and Revenues Email: mandy.fathers@publicagroup.uk
Summary/Purpose	To consider a scheme of rate relief for retail premises as outlined by Government in the Autumn Statement 2022
Annexes	Annex A –Retail, Hospitality and Leisure Discount Criteria
Recommendation(s)	That Cabinet resolves to: <ul style="list-style-type: none"> <li>a) <i>Note the contents of the report;</i></li> <li>b) <i>Endorse the Retail, Hospitality and Leisure Scheme as detailed in Annex A; and</i></li> <li>c) <i>Delegate authority to the Assistant Director of Resident Services to award of such relief</i></li> </ul>
Corporate priorities	<ul style="list-style-type: none"> <li>• Delivering our services to the highest standards</li> </ul>
Key Decision	NO
Exempt	NO
Consultees/ Consultation	Leader, Deputy Leader and Member for Finance, Chief Executive and Deputy Chief Executive, Monitoring Officer, Interim Head of Legal Services, Finance Business Partner, Assistant Director, Director of Finance (Publica)



## **Executive Summary**

This report is for noting only.

Government will be increasing business rate relief for Retail, Hospitality and Leisure from 50% to 75% from April 2023.

Those identified eligible businesses will see the reduction in their rates on their annual business rate demand notices.

The Council will be fully reimbursed for its local share of awarding the relief through a Section 31 government grant.

Annex A to the report gives details of eligibility to the scheme.

## **BACKGROUND**

- 1.1 The government has recognised that ongoing difficulties as well as longer-term challenges continue to face the retail, leisure and hospitality sectors.
- 1.2 High streets are still recovering from the impacts of the pandemic whilst also going through a period of transition and evolving in response to changing consumer preferences. Some of these trends, such as the shift to online sales, have been accelerated by the pandemic.
- 1.3 The government is therefore providing a new temporary relief for eligible retail, hospitality and leisure businesses in England to support local high street as they evolve and adapt to changing consumer demands for 2023/2024.

## **2. MAIN POINTS**

- 2.1 The Chancellor announced in his Autumn Budget that eligible hereditaments will receive 75% business rate relief up to a cash cap of £110,000 per business.
- 2.2 Local authorities are expected to use their discretionary relief powers (under section 47 of the Local Government Finance Act 1988, as amended) to grant these discounts in line with the relevant eligibility criteria as detailed within Annex A (attached).
- 2.3 The Council will be compensated for the cost of granting these discounts through a section 31 grant from government.
- 2.4 Guidance has been provided in respect of which businesses should benefit from this relief and those that should not as detailed within the attached Annex. The Council's Discretionary Rate Relief policy will also be amended with a separate annex detailing the qualifying criteria.
- 2.5 These changes will take effect from 1 April 2023.
- 2.6 The team responsible for the administration of Business Rates will identify those businesses eligible for this relief and apply it to their 2023/2024 liability. Those eligible businesses will see the reduction on their annual business rate demand notice.



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### **3. FINANCIAL IMPLICATIONS**

- 3.1** Central government will fully reimburse local authorities for the local share of relief awarded to those qualifying businesses entitled to this relief using a grant under section 31 of the Local Government Finance Act 2003 providing the council adopt the recommended approach when granting relief.

### **4. LEGAL IMPLICATIONS**

- 4.1** The government is not changing the legislation around the relief available to businesses and expects councils to grant the relief under section 47 of the Local Government Finance Act, 1988, as amended.

### **5. RISK ASSESSMENT**

- 5.1** There are no risks associated with this report as the Council will be following central government guidance.

### **6. EQUALITIES IMPACT**

None

### **7. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS**

There are none associated with this report.

### **8. ALTERNATIVE OPTIONS**

None

(END)



## **Annex A**

### **Expanded Retail Discount Criteria**

This discount will apply to occupied retail, leisure and hospitality properties in the year 2023/24. There will be no rateable value limit on the discount

Properties that will benefit from the discount will be occupied hereditaments that are wholly or mainly being used:

- a) As shops, restaurants, cafes, drinking establishments, cinemas and live music venues;
- b) For assembly and leisure; or
- c) As hotels, guest and boarding premises and self-catering accommodation.

The government has issued guidance relating to which types of establishments should be considered in (a) as follows:

**i. Hereditaments that are being used for the sale of goods to visiting members of the public:**

- Shops (such as florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets, etc.)
- Charity shops
- Opticians
- Post offices
- Furnishing shops / display rooms (such as carpet shops, double glazing, garage doors)
- Car/caravan showrooms
- Second-hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)

**ii. Hereditaments that are being used for the provision of the following services to visiting members of the public:**

- Hair and beauty services (such as hairdressers, nail bars, beauty salons, tanning shops etc.)



- Shoes repairs/key cutting
  - Travel agents
  - Ticket officers e.g. for theatre
  - Dry cleaners
  - Launderettes
  - PC/TV/domestic appliance repair
  - Funeral directors
  - Photo processing
  - Tool hire
  - Car hire
- iii. **Hereditaments that are being used for the sale of food and/or drink to visiting members of the public:**
- Restaurants
  - Takeaways
  - Sandwich shops
  - Coffee shops
  - Pubs
  - Bars
- iv. **Hereditaments that are being used as cinemas**
- v. **Hereditaments that are being used as live music venues:**
- Live music venues are hereditaments wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Hereditaments cannot be considered a live music venue for the purpose of business rates relief where a venue is wholly or mainly used as a nightclub or a theatre, for the purposes of the Town and County Planning (Use Classes) Order 1987 (as amended).
  - Hereditaments can be a live music venues if used for other activities, but only if those activities (i) are merely ancillary or incidental to the performance of live music (e.g. the sale/supply of alcohol to audience members) or (ii) do not affect the fact that the primary activity for the premises is the performance of live music (e.g. because those other activities are insufficiently regular or frequent, such as a polling station or a fortnightly community event).

The above list(s) set out above is not intended to be exhaustive and is intended to be a guide. The Council should determine for themselves whether a particular property not listed is broadly similar in nature to those above and, if so, to consider them eligible for the relief.



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Conversely, properties that are not broadly similar in nature to those listed above should not be eligible for the relief.

The government has issued guidance relating to which types of establishments should be considered in (b) as follows:

- i. **Hereditaments that are being used for the provision of sport, leisure and facilities to visiting members of the public (including for the viewing of such activities)**
  - Sports grounds and clubs
  - Museums and art galleries
  - Nightclubs
  - Sport and leisure facilities
  - Stately homes and historic houses
  - Theatres
  - Tourist attractions
  - Gyms
  - Wellness centres, spa, massage parlours
  - Casinos, gambling clubs and bingo halls
- ii. **Hereditaments that are being used for the assembly of visiting members of the public**
  - Public halls
  - Clubhouses, clubs and institutions

The government has issued guidance relating to which types of establishments should be considered in (c) as follows:

- i. **Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business:**
  - Hotels, Guest and Boarding Houses
  - Holiday homes
  - Caravan parks and sites

The list below sets out the types of uses that the government does not consider to be an eligible use for the purpose of relief:



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**i. Hereditaments that are being used for the provision of the following services to visiting members of the public:**

- Financial services (e.g. banks, building societies, cash points, bureaux de change, short term loan providers, betting shops)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents/financial advisers, employment agencies, estate agents, letting agents)
- Post office sorting offices

**ii. Hereditaments that are reasonably accessible to visiting members of the public**

In line with legal restrictions in section 47(8A) of the Local Government Finance Act 1988, billing authorities may not grant the discount to themselves or a precepting authority.

**The Cash Cap and Subsidy Control**

Under the cash cap, no ratepayer can in any circumstances exceed the £110,000 cash cap across all of their hereditaments in England.

Where a ratepayer has a qualifying connection with another ratepayer then those ratepayers should be considered as one ratepayer for the purposes of the cash cap. A ratepayer shall be treated as having a qualifying connection with another:

- a) Where both ratepayers are companies; and
- i. One is a subsidiary of the other, or
  - ii. Both are subsidiaries of the same company, or

b) Where only one ratepayer is a company, the other ratepayer (the “second ratepayer”) has such an interest in that company as would, if the second ratepayer were a company, result in its being the holding company of the other.

Furthermore, the Retail, Hospitality and Leisure Scheme is likely to amount to subsidy. Any relief provided by the Council under the scheme will need to comply with the UK’s domestic and international subsidy control obligations that will commence on 4 January 2023.