

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

9 MARCH 2021

REPORT OF THE INTERIM CHIEF OFFICER- FINANCE, PERFORMANCE AND CHANGE

NON DOMESTIC RATES: DISCRETIONARY RELIEF: ENHANCED HOSPITALITY AND LEISURE RATES RELIEF SCHEME 2020-21.

1. Purpose of report

- 1.1 The purpose of the report is for Cabinet to adopt the Welsh Government's Enhanced Hospitality and Leisure Rates Relief Scheme for 2020-21.

2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objective under the **Well-being of Future Generations (Wales) Act 2015**:

- **Supporting a successful sustainable economy** – taking steps to make the county borough a great place to do business, for people to live, work, study and visit, and to ensure that our schools are focussed on raising the skills, qualifications and ambitions for all people in the county borough.
- The scheme aims to help businesses to reduce their business rates charges for the period 01/04/21 – 31/03/22 in order to support continued occupation of High Street and retail premises.

3. Background

- 3.1 The Welsh Government recently announced on 24 February 2021 that an Enhanced Hospitality and Leisure Rates Relief Scheme will be available for the current financial year, 2020-21, to support eligible occupied businesses within the hospitality and leisure sector in Wales with a rateable value over £500,000. The Scheme sets out the various categories of hospitality and leisure premises that will benefit from relief. These are detailed in **Appendix A** of the report, but broadly the premises included are those that have a rateable value of over £500,000, are occupied, and are hotels, holiday parks and stadia across Wales.
- 3.2 The Scheme will be administered by the Council as a 'reimbursing local authority' that uses discretionary relief powers (under section 47 of the Local Government Finance Act 1988). It will be for individual local billing authorities to decide to grant relief under section 47 but Welsh Government will reimburse local authorities for the relief that is provided.

3.3 The Welsh Government will provide 100% rates relief for eligible properties for the year 2020-21.

3.4 It is estimated that there is only one eligible property in the borough that could potentially benefit from reduced rates bills under this Scheme which will now benefit from having any actual rates paid for 2020-21 reimbursed to them.

4. Current situation/proposal

4.1 The Council can elect to adopt the Scheme but does not have discretion over any elements of the Scheme. It is proposed that the Council adopts the Scheme for 2020-21 by making the appropriate determination and decision, as required by Sections 47(1) (a) and 47(3) respectively of the Local Government Finance Act 1988.

4.2 Full details of the Enhanced Hospitality and Leisure Rates Relief Scheme for 2020-21 and the guidance on the application of the Scheme have been received from Welsh Government. If the Scheme is adopted, the eligible business will be written to and upon receipt of the information requested by Welsh Government, the decision to award relief be made by the Revenues Manager providing all terms of the Scheme are met.

4.3 The Chief Executive has delegated power to award relief to all qualifying businesses in accordance with the Non-domestic Rates Relief Scheme that may be eligible following receipt of the information requested by Welsh Government.

5 Effect upon policy framework and procedures rules

5.1 There is no direct impact on the Council's policy framework and procedure rules.

6. Equality Impact Assessment

6.1 An initial assessment has identified that there are no equality implications arising from this report.

6.2 Once adopted, the Council is obliged to comply with the Welsh Government's rules in applying the Scheme. These are detailed in Appendix A.

7. Well-being of Future Generations (Wales) Act 2015 implications

7.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

8. Financial implications

- 8.1 There are no direct financial implications to the Council in adopting the scheme. The full value of the Enhanced Hospitality and Leisure Rates Relief awarded will be reimbursed by the Welsh Government.

9. Recommendation

It is recommended that Cabinet:

- 9.1 Adopt the Non Domestic Rates Enhanced Hospitality and Leisure Rates Relief Scheme for 2020-21 as detailed within Appendix A;

Gill Lewis

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1 March 2021

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Background documents:

Non-domestic Rates Enhanced Hospitality and Leisure Rates Relief Scheme for 2020-2021 in Wales Guidance

APPENDIX A

Resolution

(a) The Council determines that, unless hereditaments are excepted under (b) below, Section 47(1)(a) (discretionary relief) of the Local Government Finance Act 1988 will apply as regards the hereditaments described in 'The Scheme' in accordance with the rules described in relation to those hereditaments.

It is reasonable for the Council to make this decision having regard to the interests of persons liable to pay business rates set by the Council.

(b) Relief is not available under this resolution in respect of any hereditament which is occupied by -

- the Welsh Ministers, a Minister of the Crown or government department,
- any public authority (including any local authority),
- the holder of any public office, or
- the Crown

(c) The Council decides, under Section 47(3) of the Local Government Finance Act 1988, that during the billing year 2020-21 'The Scheme' shall apply to the hereditaments described..

The Scheme to be Adopted

Introduction

This support is aimed at businesses in Wales in the hospitality, leisure and tourism sectors operating from properties with a rateable value over £500,000.

The Welsh Government will provide grant funding to the relevant local authorities in Wales to provide the support to eligible ratepayers for 2020-21. The scheme aims to provide support for eligible occupied properties by offering a grant equal to a discount of 100% on the non-domestic rates bill for a property, subject to conditions. The scheme will apply to all eligible ratepayers with a rateable value of more than £500,000.

Properties that will benefit from this support will be occupied hospitality, leisure and tourism properties that have a rateable value of over £500,000 – such as hotels, holiday parks and stadia across Wales

Grant support should be provided to each eligible business as a reduction to its rates bill based on occupation between 1 April 2020 and 31 March 2021.

For the avoidance of doubt, hereditaments which closed temporarily due to the government's advice on Covid-19 should be treated as occupied for the purposes of this support.

As the support is discretionary, local authorities may choose not to provide the support if they consider it appropriate, for example where providing the support would go against the local authority's wider objectives for the local area.

The list set out above is not intended to be exhaustive as it would be impossible to list all the many and varied high street retail uses that exist. There will also be mixed uses. However, it is intended to be a guide as to the types of uses that the Welsh Government considers should qualify for the High Street Rate Relief Scheme. Determinations will be required as to whether particular properties not listed are broadly similar in nature to those above and, if so, to consider them eligible for the relief. Conversely, properties that are not broadly similar in nature to those listed above should not be eligible for the relief.

As the grant of the relief is discretionary, local authorities may choose not to grant the relief if they consider that to be appropriate, however it is highly unlikely that the Council would not wish an eligible business to benefit from the reduction in rates that the scheme affords.

The total amount of government funded support available for each property will be 100% of the non-domestic rates liability for the 2020-21 financial year subject to two criteria being met.

- Ratepayers can demonstrate that there has been a material negative impact on their business between 1 April 2020 and 31 December 2020.
- The level of support, equal to 100% of the non-domestic rates liability, should not exceed operating costs over the same period (1 April 2020 to 31 December 2020). If the level of support exceeds operating costs the amount of support will be equal to the value of the operating costs.

To ascertain whether the criteria have been met, applicants should provide the following information to local authorities:

- Annual turnover information. This should include income from sales as well as revenue from public sources (eg Grants, Economic Resilience Fund, or special rental arrangements). The application should also include a declaration that turnover has been negatively impacted by 40% or more as a result of coronavirus restrictions.
- Operating costs (minus staff) between 1 April 2020 and 31 December 2021.
- Details of their business' current headcount and also planned headcount at October 2021. This should be based on the number of full-time equivalent (FTE) staff.
- Declarations confirming whether the applicant has received other funding from the Welsh Government, and where appropriate can be checked against any Economic Resilience Fund application in terms of existing job safeguard conditions already in place.
- A declaration stating whether the applicant has an Economic Contract in place with the Welsh Government. For those that do not, the Welsh Government will work with them to put one in place within a 4 week period of relief being awarded.

State Aid

Following the end of the transition period for the United Kingdom leaving the European Union on 31 December 2020, EU State Aid regulations only apply in limited circumstances. As the grant support is not funded by EU residual funds, EU State Aid regulations no longer apply for this scheme. As of 1 January 2021, the UK Subsidy Regime came into force, the scheme has been viewed to be outside the scope of any international trade agreements as measures are focused locally within Wales.