



## **Neath Port Talbot County Borough Council**

### **Cabinet**

**14 February 2022**

### **Report of Chief Finance Officer – Huw Jones**

#### **Matter for Decision:**

**Non domestic Rates - Retail, Leisure and Hospitality Rates Relief Scheme 2022/23**

**Wards Affected:** All

#### **Purpose of report**

1. To outline and adopt a new discretionary rates relief scheme known as Retail, Leisure and Hospitality Rates Relief Scheme 2022-23.

#### **Background**

2. For the financial years 2020/21 and 2021/22 Welsh Government provided funding to all local authorities for 100% rates relief for those in the retail, hospitality and leisure sectors. This meant that in 2021/22 nearly 700 businesses in the County Borough did not have to pay any business rates. The total amount of relief awarded so far in 2021/22 is around £7.1m.

The Minister for Finance and Local Government has agreed to provide grant funding to all local authorities in Wales to provide Retail, Leisure and Hospitality Rates Relief to eligible ratepayers in 2022/23. The scheme however has been amended to provide 50% liability relief towards non-domestic rates bills for retail, leisure and hospitality properties within your authority. The relief is capped at £110,000 per business across the whole of Wales.

Each Authority must adopt the scheme and decide in each individual case when to grant relief under Section 47 of The Local Government

Finance Act 1988. Business Rates relief provided in this scheme is then reimbursed via a grant to each Local Authority.

Businesses will be required to apply for the relief, the relief will not be automatically awarded as in previous years.

### **Qualifying Criteria**

3. Properties that will benefit from this relief will be occupied retail, leisure and hospitality properties such as shops, restaurants, cafes and drinking establishments, gyms, performance venues and hotels.

It is intended that, for the purpose of this scheme, retail properties such as “shop, restaurants, cafes and drinking establishments” will mean-

#### **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-licences, newsagents, hardware stores, supermarkets etc)
- Charity shops
- Opticians
- Pharmacies
- Post offices
- Furnishing shops or display rooms (such as carpet shops, double glazing, garage doors)
- Car or caravan show rooms
- Second hand car lots
- Petrol stations
- Garden centres
- Art galleries (where art is for sale)

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

- -Hair and beauty services
- -Shoe repair / key cutting

- -Travel agents
- -Ticket offices (e.g. for theatre)
- -Dry cleaners
- -Launderettes
- -PC, TV or domestic appliance repair
- -Funeral directors
- -Photo processing
- -DVD/Video rentals
- -Tool hire
- -Car hire
- -Cinemas
- -Estate / letting agents

**Hereditaments that are being used for the sale of food and/or drink to visiting members of the public**

- -Restaurants
- -Drive through or drive-in restaurants
- -Takeaways
- -Sandwich shops
- -Cafes
- -Coffee shops
- -Pubs
- -Wine Bars

**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) and for the assembly of visiting members of the public.**

- Sports grounds and clubs
- Sport and leisure facilities
- Gyms
- Tourist attractions
- Museums and art galleries
- Stately homes and historic houses
- Theatres

- Live music venues
- Cinemas
- Nightclubs

### **Hereditaments that are being used for the assembly of visiting members of the public**

- Public halls
- Clubhouses, clubs, and institutions

Hotels, guest and boarding premises and self-catering accommodation means-

- Hotels, Guest and Boarding Houses
- Holiday Homes
- Caravan Parks and sites

To qualify for the relief a hereditament listed above should be wholly or mainly used for the qualifying purpose. This is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

For the avoidance of doubt, hereditaments which closed temporarily due to the Governments advice on Covid-10 are to be treated as occupied for the purpose of this relief.

The list set out above is not intended to be exhaustive as it would be impossible to list all the many and varied retail uses that exist. There will also be mixed uses. However, it is intended to be a guide for local authorities as to the type of uses that welsh Government considers for this purpose to be eligible for the relief.

In compliance with Welsh Government guidance, the Council will deem that the types of uses below (or those similar in use) are not considered to be retail, leisure or hospitality for the purpose of this relief and will not be eligible for the relief.

### **Hereditaments that are not considered to be eligible for High Street and Retail Rates Relief**

- Financial Services (banks, pawn brokers, building societies, cash points, ATMs, payday lenders, betting shops, bureaux de change)
- Medical Services (vets, dentists, doctors, osteopaths, chiropractors)
- Professional Services (solicitors, accountants, insurance agents, financial advisers, tutors)
- Post office sorting office
- Day nurseries
- Kennels / Catteries
- Show homes/marketing suites
- Employment agencies
- Casino and gambling clubs

If a hereditament is not reasonably accessible to visiting members of the public, it will not be eligible for relief under the scheme.

The total amount of government funded relief available for each property under this scheme for 2022/23 is 50% of the relevant bill. This is subject to a cap of £110,000 per business across all their properties in Wales. The relief should be applied to the net bill remaining after mandatory reliefs and other discretionary reliefs have been applied. Eligibility for the relief and the relief itself will be assessed and calculated on a daily basis. If there is a change in occupier part way through the year, after relief has been awarded, the new occupier will qualify for the relief on a pro-rata basis based on the remaining days of occupation using the following formula.

Amount of relief to be granted =  $V/2$ ,

Where:

V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and other discretionary reliefs.

## **Financial Impact**

4. Welsh Government will meet the actual cost of business rates relief granted under this initiative.

### **Integrated Impact Assessment**

5. A first stage impact assessment has been undertaken to assist the Council in discharging its legislative duties (under the Equality Act 2010, the Welsh Language Standards (No.1) Regulations 2015, the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016.

An overview of the Integrated Impact Assessment has been included below in summary form only and it is essential that Members read the Integrated Impact Assessment, which is attached to the report at Appendix 1, for the purposes of the meeting.

### **Valleys Community Impacts**

6. Positive impact for business rates payers who fit the criteria for the relief and subsequent reduction in rates bill.

### **Workforce impacts**

7. There will be additional staff resource time required to review and award the relief on the accounts. This work will be absorbed within the Non Domestic Rates (NDR) Team.

### **Legal impact**

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

### **Risk management**

9. There are potential risks in relation to determining if a business has already received their maximum award of £110,000. These will be managed by close working with other authorities in Wales to determine if the capped amount has been reached.

### **Consultation**

10. There is no requirement under the Constitution for external consultation on this item.

### **Recommendation**

11. Having given due regard to the Integrated Impact Assessment, is recommended that Members adopt the Retail, Leisure and Hospitality Rates Relief Scheme 2022/23.

### **Reason for proposed decision**

12. To enable the Business Rates Team to administer the Retail, Leisure and Hospitality Rates Relief Scheme 2022/23.

### **Implementation of decision**

13. The decision is proposed for implementation after the three day call in period.

### **Appendices**

14. Appendix 1 – Integrated Impact Assessment

### **List of background papers**

15. Local Government Finance Act 1988.  
Welsh Government Non Domestic Retail, Leisure and Hospitality Rates Relief Scheme 2022/23.

### **Officer contact**

16. Ms Ann Hinder- Principal Council Tax Officer  
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**Impact Assessment - First Stage**

**1. Details of the initiative**

<b>Initiative description and summary:</b> To grant Retail, Leisure and Hospitality Rates Relief 2022-23.
<b>Service Area:</b> Revenues
<b>Directorate:</b> Finance and Corporate Services

**2. Does the initiative affect:**

	Yes	No
Service users		√
Staff		√
Wider community		√
Internal administrative process only	√	

**3. Does the initiative impact on people because of their:**

	Yes	No	None/ Negligible	Don't Know	Impact H/M/L	Reasons for your decision (including evidence)/How might it impact?
Age						N/A
Disability						N/A
Gender Reassignment						N/A



Marriage/Civil Partnership						N/A
Pregnancy/Maternity						N/A
Race						N/A
Religion/Belief						N/A
Sex						N/A
Sexual orientation						N/A

**4. Does the initiative impact on:**

	Yes	No	None/ Negligible	Don't know	Impact H/M/L	Reasons for your decision (including evidence used) / How might it impact?
People's opportunities to use the Welsh language		√				
Treating the Welsh language no less favourably than English		√				

**5. Does the initiative impact on biodiversity:**

	Yes	No	None/ Negligible	Don't know	Impact H/M/L	Reasons for your decision (including evidence) / How might it impact?
To maintain and enhance biodiversity		√				
To promote the resilience of ecosystems, i.e.		√				

supporting protection of the wider environment, such as air quality, flood alleviation, etc.						
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**6. Does the initiative embrace the sustainable development principle (5 ways of working):**

	Yes	No	Details
<b>Long term</b> - how the initiative supports the long term well-being of people			N/A
<b>Integration</b> - how the initiative impacts upon our wellbeing objectives			N/A
<b>Involvement</b> - how people have been involved in developing the initiative			N/A
<b>Collaboration</b> - how we have worked with other services/organisations to find shared sustainable solutions			N/A
<b>Prevention</b> - how the initiative will prevent problems occurring or getting worse			N/A

**7. Declaration - based on above assessment (tick as appropriate):**



A full impact assessment (second stage) <b>is not</b> required	x
Reasons for this conclusion	

A full impact assessment is not required as this relates to internal processes regarding the allocation of the Retail, Leisure and Hospitality Rates Relief Scheme 2022-23.

The report asks Members to approve the above.

A full impact assessment (second stage) **is** required

Reasons for this conclusion

	<b>Name</b>	<b>Position</b>	<b>Signature</b>	<b>Date</b>
Completed by	<b>Ann Hinder</b>	<b>Principal Council Tax Officer</b>		07.02.2022
Signed off by	<b>Huw Jones</b>	<b>Chief Finance Officer</b>		07.02.2022

