

Cabinet Member Decision Note

Covid-19 Response – Urgent Decision

Business Rates – Rates Relief & Business Grants

To: Deputy Leader of the Council and Cabinet Member for Finance, Education and Skills

Date: 27th March 2020

Author: Head of Revenues & Benefits

Wards: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 This reports sets out the Council's Rates Relief scheme and Business grants to help mitigate the economic impacts that are likely to result from the Covid19 virus pandemic. 100% rates relief will be given to all retail, leisure and hospitality businesses and non-local authority child care providers. There will also be grants of £10,000 to eligible small businesses and £25,000 to retail, leisure and hospitality businesses.
- 1.2 These rate reliefs and grants are designed to help those business survive any economic crisis and also the decline in traditional retail outlets. As such, this report supports the corporate priority to "Improve infrastructure and housing to support a growing, low-carbon economy". Helping pledges 3 to "Refresh and implement the Masterplan for Swindon Town Centre" and 4 to "Support businesses by working in partnership to create conditions in which businesses succeed and grow."

2. Recommended Action to be Authorised by a Cabinet Member Under Delegated Powers

Recommended that:

- 2.1 The Cabinet Member agrees to
- 2.1.1 Increase Retail Reliefs to give 100% reductions to those eligible businesses for the financial year 2020/21.
- 2.1.2 Grant 100% rate relief for all non-local authority child care providers in the financial year 2020/21.
- 2.1.3 Authorise payments of £10,000 to all businesses who qualify for small business relief or rural rate relief and those businesses with retail rate, hospitality and leisure relief with a rateable value below £15,000.

Further information on the subject of this report can be obtained from Andy Stevens on telephone 07584 151304 or via email Astevens3@swindon.gov.uk.

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- 2.1.4 Authorise payments of £25,000 for all retail, leisure and hospitality businesses with a rateable value between £15,000 and less than £51,000.
- 2.1.5 Accept claims of a £1,500 a year discount for the financial years up to 31st March 2025 for offices occupied by local newspapers (one office per local Newspaper).

3. Detail

- 3.1 Due to the Covid19 virus the Government has committed to fund an increase to the retail relief scheme to enable Councils to cancel the rates bills for the next financial year (2020/21) for all retail, leisure and hospitality businesses and non-local authority child care providers, irrespective of their rateable value. The guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG) in March 2020 sets out the businesses that are eligible for assistance, and the Council's scheme will follow this. The Council's own existing policy excludes massage parlours, gentlemen's clubs and adult (sex) shops and these exclusions should continue as these businesses do not promote equalities. The MHCLG guidance on retail, hospitality and leisure businesses also excludes financial Services (banks, building societies and pay day lenders), medical practices and vets. Central Government have asked Local Authorities to prepare to grant these reliefs on the basis that state aid limits will not apply to these rate reductions.
- 3.2 All businesses that currently receive Small Business Rates Relief, Rural Rate Relief or Retail Relief with rateable value of less than £15,000 are to be given a one of £10,000 grant.
- 3.3 A grant of £25,000 will be given to all retail, leisure and hospitality businesses with a rateable value between £15,000 and less than £51,000.
- 3.4 Each local newspaper can claim the £1,500 a year discount for one office.
- 3.5 The grants may be subject to state aid relief requirements, but the Government are seeking assurances that the rates reliefs (exemptions) will not be and further guidance will follow on this. With respect to the grants most small businesses will be below state aid thresholds and Central Government have asked that payments be made in the meantime.

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- 3.6 Assistance to these businesses is designed to be at no cost to Council Taxpayers and it hoped that these businesses can survive and continue providing economic benefits and employment to Swindon residents.

4. Alternative Options

- 4.1 The Council does not have to implement any of these changes, although it is expected to implement these measures in order to help protect the business concerned.

5. Consultation

- 5.1 The following Opposition and Minority Group Spokespersons / Ward Members have been consulted on the recommendations of the report and their responses are also summarised below:

Councillor Kevin Small – I fully support the recommendations.

Councillor Stan Pajak – Totally support the recommendation amid the unimaginable crisis we are now amid.

6. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 6.1 The Council is being recompensed by Central government for the awards it makes, provided it only pays the reliefs and grants as specified in this report. The amount of reliefs granted is to be calculated early in the new financial year and the grants may total £30 million, but this will be paid by Central Government.

Legal and Human Rights Implications

- 6.2 Legal and Human Rights considerations have been taken fully into account in compiling this report. It is considered that the steps taken by the Council in relation to Business Rates reliefs are proportionate and compatible with convention rights.

Climate Change Impact

- 6.3 The proposals would not bring a change in the service delivery and Officers believe that there is no expected effect on the Council's carbon footprint.

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All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 6.4 This will help businesses through a very difficult time and no major impacts have been identified.

Diversity Impact Assessment

- 6.5 No adverse Diversity impacts have been identified by the implementation of these reliefs and a Diversity Impact Assessment has been undertaken.

Risk Management

- 6.6 If the Council granted reliefs in excess of the amounts that Central Government will recompense there would be an additional burden on Council Taxpayers, but work has been undertaken to ensure the suggested schemes prevent this.

7. Consultees

- 7.1 The Corporate Director of Finance and Assets (s151 officer) and Chief Legal Officer (Monitoring Officer) are consulted in respect of all reports.

7.1.1 The Corporate Director of Finance and Assets (s151 Officer) cleared this report for publication on 26th March 2020

7.1.2 The Chief Legal Officer (Monitoring Officer) cleared this report for publication on 27th March 2020.

8. Background Papers

- 8.1 None

9. Appendices

- 9.1 None

10. Declarations of Interest

Opposition and Minority Group Spokespersons / Ward Members

- 10.1 Opposition spokespersons / Ward Members are reminded to consider whether they have any known interests in any of the matters referred to in this Decision

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Note. If such an interest exists this should be declared to the Monitoring Officer (or Senior Committee Clerk), and they should take no part in the consideration of the Briefing Note and should refer the Briefing Note to their Group Leader.

Cabinet Member(s)

- 10.2 Cabinet Members are reminded to consider whether they have any known interests in any of the matters referred to in this Decision Note. If such an interest exists this should be declared to the Monitoring Officer (or Senior Committee Clerk), and they should take no part in the consideration of the Decision Note and should refer the Decision Note to the Leader of the Council instead for consideration.

11. Sign-off

- 11.1 The Cabinet Member is requested to respond urgently.

- 11.2 The Cabinet Member is requested to indicate one of the following responses to the Recommendations set out in Section 2 of this report:

Note and support the proposed action to be taken under delegated authority –

Yes / ~~No~~

Note and request the proposed action be reconsidered – ~~Yes~~ / No

Reasons for Reconsideration:

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Request Report be Referred to Cabinet - Yes / No

NB To protect against identity theft, Cabinet Member's signatures will be redacted on public versions of the signed Briefing Note.

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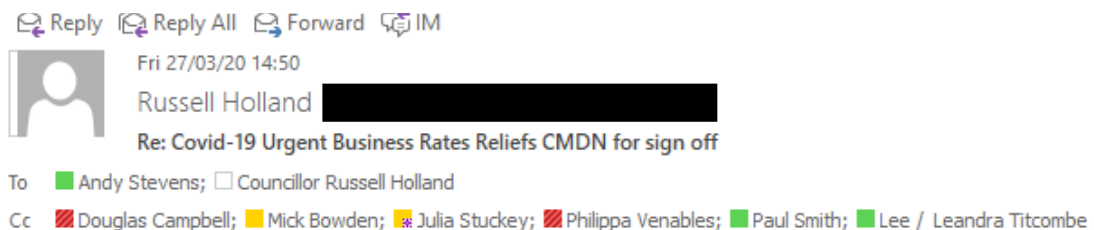
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Signed electronically – see email below



Thank you for the work on this agreed and approved for the reasons set out in the report

From: Andy Stevens <ASTevens3@swindon.gov.uk>

- 11.3 Decisions of Cabinet Members will be published in the Members' Bulletin. The Decision must not be implemented until such time that a five-day "Call-in" period has expired. This date will be specified in the Members Bulletin. If a Decision is "called-in" it will be referred to the Scrutiny Committee for consideration. It must only be implemented if the Scrutiny Committee has raised no objection. If an objection is forthcoming the matter will be referred back to the Decision-Maker.