

Report for: Cabinet

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| Date of Meeting: | 27 May 2021 |
| Subject: | Discretionary Business Rates Retail Relief Scheme for 2021/22 |
| Key Decision: | Yes |
| Responsible Officer: | Dawn Calvert - Director of Finance |
| Portfolio Holder: | Councillor Natasha Proctor - Deputy Leader and Portfolio Holder for Finance and Resources; Councillor Keith Ferry – Portfolio Holder for Business, Property and Leisure |
| Exempt: | No |
| Decision subject to Call-in: | Yes |
| Wards affected: | All |
| Enclosures: | Appendix 1 – Draft Discretionary Retail Relief scheme Appendix 2 – MHCLG Retail Relief letter to local authorities dated January 2021 |

Section 1 – Summary and Recommendations

The aim of this report is to introduce local discretion regarding Retail Relief for the financial year 2021-22,

Since 2019/20 the government has provided a Business Rates Retail Discount for retail properties which for 2020/21 it expanded to include the leisure and hospitality sectors. On 3 March 2021 the government confirmed that the Expanded Retail Discount would continue to apply in 2021/22 at 100% for three months, from 1 April 2021 to 30 June 2021, and at 66% for the remaining period, from 1 July 2021 to 31 March 2022. It also extended nursery discounts for the year 2021/22.

Harrow now wishes to exercise its discretion and adopt the attached policy, which has been modelled on the guidance issued by Government, so it can support businesses in its area.

Recommendations:

That Cabinet considers the information given in this report and:

1. Agree to adopt, for the year 2021/22, the attached discretionary “Retail Relief scheme” & “Nursery Discount scheme” for business rate payers who are eligible.
2. To note that the Corporate Director of Resources can exercise discretion under s47 of the Local Government Finance Act 1988, (as amended) (hereinafter “LGFA”) in order to operate the above scheme which follows MHCLG’s guidance contained in their letter to local authorities date January 2021.

Reason: (For recommendations)

To ensure Harrow Council’s eligible business ratepayers receive the maximum amount of centrally funded relief that can be claimed and to ensure the Council supports the local economy.

Section 2 – Report

Introductory paragraph & Recommendation

Further to the Government announcing a further extension of retail relief in the Budget in March 2021, it is now necessary for Cabinet to approve the attached policy in order that we may continue awarding retail relief to qualifying businesses for the period 2021/22.

It is therefore recommended Cabinet adopts the attached local scheme (Appendix 1) for 2021/22 so the Business Rates Service can subsequently determine in each individual case, the relief to be granted under section 47.

The original policy was agreed at Cabinet on the 17th of January 2019. As the Government's retail relief scheme has been extended for 1 year, this report amends the policy and seeks authority to extend the discretionary relief policy to dovetail with central Government guidance applicable for the financial year 2021/22.

Central government will fully reimburse Harrow for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003). The Government expects local government to grant relief to qualifying ratepayers.

Procurement Implications

There are no procurement implications arising from the Recommendations of this report.

Legal Implications

The Council, as a billing authority, is empowered to award discretionary rate relief under s47 of The Local Government Finance Act 1988, as amended by s69 of the Localism Act 2011. The latter widened the scope of s47 to enable billing authorities to award discretionary relief to any ratepayer. Harrow Council will deliver the scheme through the use of its existing discretionary relief powers.

The authority already has in place a policy that provides guidelines for deciding whether or not to grant relief and for determining the amount of any relief given. The proposed scheme temporarily adds to this to cater for recent Government's announcement, for the stated specific years, so Harrow Council can support local ratepayers who meet the Council's eligibility criteria.

Whilst the Council has the power to award discretionary rate relief to businesses as it thinks fit, the Council can only exercise its discretion if it is reasonable to do so having regard to the interests of local council tax payers and having elected to do so via a specific scheme or policy.

Cabinet must also note that in making discretionary payments, the local authority will be expected to ensure it is meeting conditions attached to State Aid under European Union regulations.

Financial Implications

Regarding the cost of the scheme itself, there are no financial implications as the full cost of the awards, including the rate retention loss proportion that Harrow will lose, will be paid back to the local authority via s31 grant.

Performance Issues

Ensuring all eligible traders are awarded the reliefs they are entitled to will support collection rates and reduce collection administration.

Environmental Impact

There are no direct environmental impacts anticipated from the recommendations contained within this report.

Risk Management Implications

Risk included on Directorate risk register? No

Separate risk register in place? No

The following key risks should be taken onto account when agreeing the recommendations in this report:

| Risk Description | Mitigations | RAG Status |
|---|--|------------|
| Calculation is inaccurate | <ul style="list-style-type: none">Processes in place via system parameters to ensure only correct percentages are granted as relief. This is hard configured into the Northgate system and not subject to operative input | Green |
| Risk of fraudulent applications | <ul style="list-style-type: none">Whilst MHCLG suggests no application is required, the Harrow process always tries to ensure an application is received so it can be fully assessed | Amber |
| Risk of Duplicate payments | <ul style="list-style-type: none">This is low as retail relief can only be given once on a specific property on the Northgate system. Once the relief is at the percentage configured within parameters, there is a cap on the amount of relief that the system can award. | Green |
| Risk of not granting Retail Relief to eligible properties | <ul style="list-style-type: none">All properties that previously were identified to receive relief in the preceding year will automatically qualify. There is a small risk that a few qualifying properties may have been missed out but this is very low. | Green |

Equalities implications

An Equalities Impact Assessment was originally undertaken in relation to the original policy implemented and still applies.

Corporate Priorities

Agreeing the relief policy allows the Council to support local businesses by awarding them up to £22.2m retail relief which in turns supports them in recovering from the pandemic.

Section 3 - Statutory Officer Clearance

Statutory Officer: Sharon Daniels

Signed on behalf of the Chief Financial Officer

Date: 25/03/2021

Statutory Officer: Andrew Lucas
Signed on behalf of the Monitoring Officer
Date: 25/03/2021

Chief Officer: Charlie Stewart
Signed off by the Corporate Director
Date: 22/03/2021

Head of Procurement: Nimesh Mehta
Signed by the Head of Procurement
Date: 22/03/2021

Head of Internal Audit: Susan Dixon
Signed by the Head of Internal Audit
Date: 26/04/2021

Mandatory Checks

Ward Councillors notified: NO, as it impacts on all Wards

EqIA carried out: NO

EqIA cleared by: N/A

Section 4 - Contact Details and Background Papers

Contact: Fern Silverio (Head of Service – Collections & Housing Benefits),
Tel: 020-8736-6818 / email: fern.silverio@harrow.gov.uk

Background Papers: None

Call-in waived by the Chair of Overview and Scrutiny Committee

NO

