



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

28TH FEBRUARY 2022

**SUPPORTING RETAIL LEISURE AND HOSPITALITY BUSINESSES
IN RHONDDA CYNON TAF –
LOCAL BUSINESS RATE REDUCTION SCHEME**

**REPORT OF DIRECTOR OF FINANCE AND DIGITAL SERVICES IN DISCUSSIONS
WITH THE RELEVANT PORTFOLIO HOLDER (CLLR M NORRIS)**

Author(s): MR MATTHEW PHILLIPS, HEAD OF SERVICE (REVENUES & BENEFITS)

1. PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to provide Cabinet with details of a proposed local Business Rate Reduction Scheme for Rhondda Cynon Taf and an update on the continuation of the Welsh Government Retail, Leisure and Hospitality Rate Relief (RLH) Scheme for 2022/23.

2. RECOMMENDATIONS

- 2.1 It is recommended that Cabinet:

- a) Note the changes to the Welsh Government RLH Scheme for the year 2022/23;
- b) Agree to adopt the Welsh Government RLH Scheme for the year for 2022/23;
and
- c) Agree the proposed local Business Rate Reduction Scheme for 2022/23 which will be incorporated into the Council's Revenue Budget Strategy.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To provide ongoing support to RLH businesses within Rhondda Cynon Taf following two years of restricted trading through the period of the COVID 19 pandemic.

4. BACKGROUND

- 4.1 In February 2020 Cabinet agreed to introduce support to businesses through the provision of a Local Business Rate Relief scheme which provided £150K to be distributed across qualifying businesses in order to support them in meeting their Non-Domestic Rates liability. The relief was to be paid in line with the qualifying

criteria applicable to the High Street and Retail Rate Relief (HSRR) Scheme and it was estimated that up to 485 businesses would benefit by up to £300 per business. The level of support was increased to £350 per business for 2021/22 financial year.

- 4.2 However, as the pandemic emerged in March 2020 and restrictions were applied to businesses, the Welsh Government replaced the HSRR Scheme with an extended RLH scheme which provided 100% rates relief for the financial year 2020/21, meaning that qualifying businesses had no rates liability. This scheme extended the eligible businesses to include leisure businesses and continued unchanged through 2021/22.
- 4.3 In January 2022, WG indicated that the RLH scheme for 2022/23 would provide 50% rate relief (as opposed to 100%) and consequently businesses in these sectors would have a rates liability for the first time in two years.
- 4.4 The Cabinet's proposed budget strategy for 2022/23 includes an additional £100k to increase the available resources to support such businesses to £300k.

5. PROPOSED LOCAL BUSINESS RATE REDUCTION SCHEME

- 5.1 On 4th February 2022, WG issued the RLH scheme details and guidance, which confirms that the 2022/23 scheme would provide 50% rate relief to all qualifying businesses. The amount of RLH relief allowed to a single business across Wales has been capped at £110,000.
- 5.2 In order to support our Retail, Leisure and Hospitality businesses in 2022/23 it is proposed that a local discretionary relief be provided in **addition** to the WG RLH scheme of up to a maximum of £300 per qualifying business.
- 5.3 The qualifying criteria of the RLH scheme shall be applied. It is estimated that 1,200 businesses in Rhondda Cynon Taf would benefit from this further support.
- 5.4 In cases where the "net" rates bill (following the award of RLH and any other applicable reliefs) is less than £300, the rates bill will be reduced to zero.
- 5.5 In line with WG requirements, businesses will need to make an application to the Council for the RLH relief to be assessed and applied to their NDR bill.
- 5.6 Subject to this application and eligibility, the Council will then also award up to £300 local discretionary relief. Business will then receive an adjusted Non Domestic Rates bill, net of RLH relief and the Local Business Rate relief.
- 5.7 The list of the types of businesses able to qualify for RLH Rates Relief (and therefore the Local Discretionary Business Rates Relief) is set out at Appendix 1 with those non-qualifying businesses set out at Appendix 2.
- 5.8 It is noted that there are no planned changes to the WG's Small Business Rate Relief Scheme.

6. EQUALITY AND DIVERSITY IMPLICATIONS / SOCIO ECONOMIC DUTY

- 6.1 Due regard has been given to the Council's public sector equality duties under the Equality Act 2010, namely the Public Sector Equality Duty and Socio-Economic Duty.

7. WELSH LANGUAGE IMPLICATIONS

- 7.1 There are no Welsh language implications as a result of the recommendations in this report.

8. CONSULTATION / INVOLVEMENT

- 8.1 A consultation exercise on the original proposal took place between 2nd December 2019 and 24th January 2020.
- 8.2 A consultation on the Cabinet's proposed budget strategy took place between the 28th January and the 13th February 2022.

9. FINANCIAL IMPLICATION(S)

- 9.1 The Council has included the resource requirement in its proposed 2022/23 Revenue Budget Strategy to fund the local Business Rates Discretionary scheme.
- 9.2 The Welsh Government will reimburse local authorities for the RLH relief that is provided in line with its guidance via a grant under section 31 of the Local Government Act 2003 and section 58A of the Government of Wales Act 2006.

10. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 10.1 The WG Retail, Leisure and Hospitality Relief Scheme and the proposed local Business Rates Relief Scheme is in accordance with the Council's statutory powers under Section 47 of the Local Government Finance Act 1988.
- 10.2 For both schemes to be applied in Rhondda Cynon Taf, the Council needs to formally resolve to adopt the schemes locally in exercise of its discretionary powers under section 47(1) (a) of the 1988 Act and the Director of Finance and Digital Services will administer the scheme and make the necessary determinations in accordance with the Council's 'officer scheme of delegation'.

11. LINKS TO THE CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT

- 11.1 The proposals are aligned to the Council's Corporate Plan "Making a Difference" 2020-2024, in particular the priority 'Prosperity – Creating the opportunity for people and businesses to: be innovative; be entrepreneurial; and fulfil their potential and prosper' and also the Wellbeing of Future Generations (Wales) Act 2015 well-being goal of "A more prosperous Wales".

12. CONCLUSION

- 12.1 The adoption of the WG RLH Rate Relief Scheme and the Local Discretionary Business Rates Relief Scheme will provide further much needed financial support for local businesses to meet their 2022/23 rate liability and forms part of a wider package of support intended to create and maintain vibrant town centres across Rhondda Cynon Taf, which is something that this Council has committed to in its Corporate Plan.

Appendix 1

Examples of the types of premises that **may** qualify for assistance under the Wales Retail Leisure and Hospitality Rate Relief Scheme:

- Properties 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 showrooms
 - Second hand car lots
 - Markets
 - Petrol stations
 - Garden centres
 - Art galleries (where art is for sale or hire)

- Properties that are being used for the provision of the following services to visiting members of the public:-
 - Hair and beauty services
 - Shoe repairs or key cutting
 - Travel agents
 - Ticket offices (e.g. for theatre)
 - Dry cleaners
 - Launderettes
 - PC, TV or domestic appliance repair
 - Funeral directors
 - Photo processing
 - DVD or video rentals
 - Tool hire
 - Car hire
 - Estate and letting agents

- Properties 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
 - Cafés
 - Coffee shops
 - Pubs
 - Bars or 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

- 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

Appendix 2

Examples of the types of retail premises that **will not** qualify for assistance under the Wales Retail Leisure and Hospitality Rate Relief Scheme:

- Properties being used wholly or mainly for the provision of the following services to visiting members of the public:
 - Financial services (eg banks, building societies, cash points, ATMs, bureaux de change, payday lenders, betting shops, pawnbrokers)
 - Medical services (eg vets, dentists, doctors, osteopaths, chiropractors)
 - Professional services (eg solicitors, accountants, insurance agents, financial advisers, tutors)
 - Post Office sorting offices
 - Day nurseries
 - Kennels and catteries
 - Casinos and gambling clubs
 - Show homes and marketing suites
 - Employment agencies

In addition, the following properties will not be eligible to relief under the scheme:

- a) Properties that are not reasonably accessible to visiting members of the public
- b) Properties that are not occupied
- c) Properties that are owned, rented or managed by a local authority

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

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**Background Papers
NONE**

Officer to contact:

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