

Portfolio Holder decision record sheet

Name of decision makers:	Cllr Graeme Elliot
Portfolio:	Corporate and Commercial
Date of Portfolio Holder decision:	7 th February

Title of decision:	Business rate reliefs 2023/24
Part II:	N/A
Part II reason:	

Background to report:

This report covers two new business rate reliefs that the Government has announced for 2023/24.

The 2023/24 Retail, Hospitality and Leisure Business Rates Relief Scheme will provide eligible, occupied, retail, hospitality and leisure properties with a 75% relief, up to a cash cap limit of £110,000 per business. This scheme will operate for the 2023/24 year only.

The 2023 Supporting Small Business Relief Scheme will limit increases in bills for small and medium properties where there was a significant increase in the property's rateable value at the 2023 Revaluation. This scheme will operate for the years 2023/24 to 2025/26.

As both schemes are designed for a limited period only, the Government is not making changes to legislation, but instead providing detailed guidance, and asking local authorities to use powers under s47 of the Local Government Finance Act 1988 to set up the schemes. Government will then fully repay the cost of relief awarded in line with their guidance.

Decision made and reasons:

This decision adopts the following discretionary business rate relief schemes.

2023/24 Retail, Hospitality and Leisure Business Rates Relief Scheme

This is a scheme to cover the period 1 April 2023 to 31 March 2024, for eligible properties occupied by qualifying retail, hospitality and leisure businesses.

Eligibility for the relief matches the conditions for 2022/23 Retail, Hospitality and Leisure Business Rates Relief scheme. Where a ratepayer is currently receiving the previous relief, it will automatically be included on the annual bill for 2023/24. Other businesses will be able to apply for the relief after they have received their bill for 2023/24.

A business will be able to refuse the relief, but once this has been done they will not be able to change this decision.

The relief will be 75% of the business rates bill for this period, calculated on a daily basis.

There will be a cash cap on the total value of relief a business can receive, which is £110,000.

The relief is also subject to subsidy control (state aid) thresholds.

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Ability to opt-out

Any business will be able to opt out of receiving relief under this scheme for any particular hereditament. They will be able to do this by writing to the Council to tell us this. Any decision to opt out of the scheme is irreversible.

The detailed guidance for this scheme can be found at [Business Rates Relief: 2023/24 Retail, Hospitality and Leisure Scheme - GOV.UK \(www.gov.uk\)](https://www.gov.uk/business-rates-relief-2023-24-retail-hospitality-and-leisure-scheme)

Initial estimates are that about 700 businesses in Dacorum will benefit from this relief.

2023 Supporting Small Business Relief Scheme (2023 SSBR)

Many occupiers of properties with rateable values of less than £15,000 receive significant reductions in their business rates bill due to Small Business Rates relief (SBRR) or Rural Rate Relief (RRR). However, if their rateable value increases as part of the 2023 revaluation they could face a large increase in their business rates bill.

This scheme helps ratepayers that will lose part or all of their SBRR/RRR from 1 April 2023 as a result of an increase in rateable value at revaluation. It does this by limiting the increase in the bill to a cash value of £600 per year for the years 2023/24, 2024/25 and 2025/26.

The Government introduced a similar scheme following the 2017 revaluation. Where a ratepayer has been receiving support continuously under that scheme, and would face an increase of more than £600 from their 2022/23 to 2023/24 rates bill, they will receive one further year's support under the 2023 scheme, but this will end on 31 March 2024.

Eligibility for the relief is looked at on a daily basis.

Eligibility will not be affected by a change of ratepayer, as long as the occupation of the property is continuous.

Eligibility will end in the following circumstances:

- The property falls vacant
- The property becomes occupied by a charity or Community Amateur Sports Club
- A backdated change which means that there was no entitlement to SBRR/RRR on 31 March 2023
- If the chargeable amount for a day calculated using 2023 SSBR is the same as or more than the amount found without it.

Once eligibility for 2023 SSBR has ended, it cannot restart from a later date.

The detailed guidance for this scheme can be found at [Business Rates Relief: 2023 Supporting Small Business Relief, local authority guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/business-rates-relief-2023-supporting-small-business-relief-local-authority-guidance)

There will be no cash cap for this relief, but it will be subject to subsidy control (state aid) thresholds.

Authority to make decisions of this type has been delegated to the Portfolio Holder (Finance &

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Resources) by cabinet decision CA/78/17.

Reports considered:

[Business Rates Relief: 2023/24 Retail, Hospitality and Leisure Scheme - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/business-rates-relief-2023-24-retail-hospitality-and-leisure-scheme)

[Business Rates Relief: 2023 Supporting Small Business Relief, local authority guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/business-rates-relief-2023-supporting-small-business-relief-local-authority-guidance)

Officers/Councillors/Ward Councillors/Stakeholders consulted:

Chief Finance Officer
Head of Revenues and Benefits

Monitoring Officer comments:

This decision is being approved as an urgent decision without giving the usual 28 days' notice. In accordance with the Access to Information Regulations the Chair of the Finance and Resources Overview and Scrutiny Committee has agreed that this is an urgent decision and can proceed.

Chief Finance Officer comments:

This is a S151 officer report with comments included in the report. This decision outlines the request to approve the implementation of changes to business rates relief initiated by changes to government policy for 2023/24.

Financial Implications:

The Government is not legislating to introduce these reliefs as they are temporary measures, but instead is asking local authorities to use discretionary powers under section 47 of the Local Government Finance Act 1988.
Government will provide DBC with a full reimbursement to cover the cost of these reliefs.
DBC will also be provided with new burdens funding towards the cost of administering the schemes.

Risk:

If the Council does not adopt the schemes, there is a risk of reputational damage, and of a detriment to the local economy.

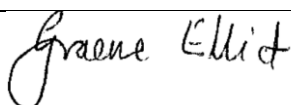
Value for money:

There will be no net cost to the Council to introduce the schemes.

Options considered and reasons for rejection:

The only alternative option is not to introduce the schemes. This has been rejected because of the risks to local businesses, and the risk of reputational damage to the Council.

Portfolio Holder's signature:



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Date: 13/02/2023

Details of any interests declared and any dispensations given by the Standards Committee:

For Member Support Officer use only

Date decision record sheet received from portfolio holder:

Date decision published:

Decision no:

Date of expiry of call-in period:

Date any call-in received or decision implemented:

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