
**Executive Member for Finance & Major
Projects**

13th March 2023

Draft Report of the Director Customer and Communities

**Retail, Hospitality & Leisure business rate relief and Council Tax
Support hardship schemes 2023/24**

Summary

1. This paper provides details of the Retail, Hospitality & Leisure (RHL) business rate relief and Council Tax Support (CTS) hardship schemes 2023/24 to the Executive Member for Finance & Major Projects for approval. To avoid complications with the 2023/24 annual billing cycle an officer decision was made by the Chief Finance Officer in consultation with the Executive Member on 6th February 2023.

Recommendations

2. The Executive Member is asked to retrospectively approve:
 - a) the council's RHL scheme (Paragraph 4 – 11);
 - b) the council's CTS hardship scheme (Paragraph 12 – 18);
 - c) the delegation of discretion to decide on qualifying and non-qualifying businesses (outside of those set out in Annex A) to the Head of Customer and Exchequer Services in consultation with the Head of Economic Development;
 - d) The delegation to make any changes to the council's RHL and CTS hardship scheme within the broader scope of the scheme guidance as set at Annex A and B to the council's s151 officer (Chief Finance Officer) in consultation with the Executive Member for Finance and Major Projects (Paragraph 10 & 18).

Reason: To provide cost of living support to business and residents hardest hit by the current economic pressures.

Background

3. As part of the Autumn Statement on 17 November 2022 the Chancellor announced the introduction of a new business rates relief scheme for retail, hospitality and leisure (RHL) properties worth around £2.1 billion in 2023/24. The 2023/24 RHL 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. Full guidance is at Annex A of this paper.
3. On the 19th of December 2022 the Secretary of State for Levelling Up, Housing and Communities and Minister for Intergovernmental Relations announced £100 million of additional funding for local authorities to support the most vulnerable households in England. This funding will allow councils to deliver additional support to the 3.8 million households already receiving council tax support, whilst also providing councils with the resources and flexibility to determine the local approaches to support other vulnerable households in their area.' Full guidance is at Annex B of this paper.

RHL Scheme

4. The hereditaments (business premises) which benefit from the 75% relief will be those which for a chargeable day in 2023/24 meet the criteria as set out in Annex A. If the ratepayer for that chargeable day has refused the relief for the eligible hereditament, the ratepayer may refuse the relief for each eligible hereditament anytime up to 30 April 2024. The ratepayer cannot subsequently withdraw their refusal for either all or part of the financial year in the scheme.
5. The council's scheme makes it clear, for the purposes of section 47 of the 1988 Act, hereditaments where the ratepayer has refused the relief are outside of the scheme and outside of the scope of the decision of which hereditaments qualify for the discount and are therefore ineligible for the relief.

6. The rate relief provided within the scheme is subject to the £110,000 cash cap per business, the total amount of government-funded relief available for each property for 2023/24 under this scheme is 'For chargeable days from 1 April 2023 to 31 March 2024, 75% of the chargeable amount'.
7. The Cash Cap as well as Subsidy rules apply to qualifying businesses. In applying a relief each business is responsible for notifying the council if it does not meet the qualifying criteria including Cash Cap and Subsidy rules. Each business will be contacted to ensure they are fully aware of the rules.
8. The council will adopt the qualification rules as set out at Part 2 of Annex A as those businesses included in its scheme.
9. The list of those qualifying and those that are exempt (Annex A) is not exhaustive and the decision to determine whether a business is exempt or qualifies will be delegated to the Head of Customer and Exchequer services in consultation with the Head of Economic Development.
10. The power to amend the scheme within the broader scope of the guidance be delegated to the 151 officer (Chief Finance Officer) in consultation with the relevant Executive Member for Finance and Major Projects.
11. Whilst the intention is to apply the relief ready for 1st April 2023 delays in software upgrades may mean this is not possible so some or all businesses may have to be rebilled.

Council Tax Support Hardship Scheme

12. As part of the Autumn Statement 2022 the Government announced its intention to allow councils to increase core council tax up to 3% and up to 2% for the Adult Social Care precept, before requiring a referendum. In recognising the impact of rising bills, the government will be distributing £100 million of new grant funding in 2023/24 for local authorities to support economically vulnerable households in their area with council tax payments.

13. The City of York Council will receive £ 214,818 in funding to provide additional financial support to those residents receiving Council Tax Support (CTS). The funding is for the 2023/24 year only.
14. To supplement CTS the Government expects that billing authorities will use their grant allocation to fund further reductions in the council tax liability of individuals receiving CTS with an outstanding council tax liability, by up to £25. Local authorities are also able to use a proportion of their allocations to determine their own local approaches to supporting economically vulnerable households with council tax bills.
15. The support can only be provided for council tax liability in the 2023/24 tax year. Funding will be allocated to local authorities on the basis of their share of the CTS claimants, based on Quarter 2 data from 2022-23. The money will be paid out as soon as possible to local authorities through a grant under section 31 of the Local Government Act 2003.
16. The council's scheme adopts the guidelines of the Government guidance at Annex B. The support will be provided directly to the CTS customer's account on 1st April or at the earliest possible time if any software upgrades are required. Details of the scheme will be provided on the council's website.
17. The council's scheme will provide £25 or the level of outstanding liability if below this. Using the council's own local approaches to supporting economically vulnerable households with council tax bills the award will also be made to all newly qualifying CTS customers across the 2023/24 year. The award may be higher than £25 if there is any residual funding remaining at the end of the 2023/24. The residual funding would be applied automatically to CTS accounts to some or all groups of CTS qualifying customers.
18. The power to amend the scheme within the broader scope of the guidance be delegated to the s151 officer (Chief Finance Officer) in consultation with the relevant Executive Member for Finance and Major Projects.

Analysis

19. The RHL scheme is as set out in this report and in the guidance at Annex A. The support will be met in full by central Government and will help alleviate some of the financial pressure on the businesses most vulnerable to the Cost of Living crisis. This builds on the 50% discount provided in 2022/23 and provides positive support to the York economy.
20. The CTS hardship scheme is 'one off' support to the most financially vulnerable council taxpayers in the city. The cost of the scheme is provided by central Government and aims to mitigate the effect of allowing local authorities to increase their council tax by up to 3% from 2% without the need for a referendum. The scheme will help approximately 8000 residents with their council tax bills in 2023/24 although in reality it only puts them back to the position they were in 2022/23. If there is no further Government support in 2024/25 and there is a further increase in CT (3%) and Adult Social Care (2%) CTS customers could see their council tax payments rise by 10% in real terms.

Consultation

21. These are Government schemes and there was no consultation with City of York Council on the guidance provided. The council always consults with its Advice York partners as set out in the Equalities Impact Assessment (Annex C) where any support is in relation to financially vulnerable communities.

Implications

22.

Financial

There are no financial implications as the cost of both schemes are met by central Government.

Human Resources (HR)

There are no HR implications.

Equalities

The council tax hardship scheme will impact on all communities equally. The Equalities Impact Assessment (EIA) is attached at Annex C.

Legal

No implications

Crime and Disorder, Information Technology and Property

No implications

Risk Management

23. The key risk associated with this paper relates to ensuring that the council tax hardship scheme is delivered within and up to the financial value of the Government grant received. This is managed by basing the scheme on the existing council tax data that the council holds. There are no risks in relation the RHL business rate reliefs.

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Report Approved

Date 6th February 2023

Specialist Implications Officer(s):

Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

Annexes

Annex A – Retail, Hospitality & Leisure relief government guidance

Annex B – Council Tax Support Hardship scheme government guidance

Annex C – Equalities Impact Assessment

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