



## **CABINET – 24TH APRIL 2019**

**SUBJECT: TO ADOPT THE WELSH GOVERNMENT (WG) 'HIGH STREET AND RETAIL RATE RELIEF' SCHEME 2019/20 – GRANT FUNDING**

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES**

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### **1. PURPOSE OF REPORT**

- 1.1 The Welsh Government (WG) has announced a new temporary business rate relief scheme, the 'High Street Rate and Retail Rate Relief Scheme' for the financial year 2019-20 only. Relief granted by the Authority under this new scheme is to be reimbursed by WG by way of a specific cash-limited grant but, before any relief is awarded, the Authority must consider and adopt the new scheme. This report recommends that Cabinet approval is given to adopt the new rate relief scheme in accordance with the WG guidance set out at Appendix 1.

### **2. SUMMARY**

- 2.1 This report gives details of a new rate relief scheme offered by WG and attaches at Appendix 1 details of the new Scheme. Adoption of the new Scheme as set out at Appendix 1 is obligatory because WG has prescribed the details for the Scheme. The Authority must formally adopt the new Scheme set out in the guidance at Appendix 1 in order to obtain the WG grant funding.

### **3. RECOMMENDATIONS**

- 3.1 It is recommended that Cabinet adopts, with immediate effect, the 'High Street and Retail Rate Relief Scheme' 2019-20 (the 2019/20 Scheme), in accordance with the guidance set out at Appendix 1 and the provisions of section 47(1) (a) and section 47(3) of the Local Government Finance Act 1988. The Head of Corporate Finance and S151 Officer will use delegated powers to award the relief.
- 3.2 It is recommended for the reasons outlined in point 5.5 of this report that Cabinet adopts the proposals to allow successful applicants for the 2018/19 High Street Rate Relief Scheme (the 2018/19 Scheme) who are eligible to receive rate relief under the 2019/20 Scheme to have the rate relief awarded without the need to make a further application.
- 3.3 It is recommended that ratepayers who have not completed an application form for

the 2018/19 Scheme be required to properly complete and return an application form for the 2019/20 Scheme. Where an application form is required, such a form must be completed by each eligible ratepayer for each qualifying property and returned to the Business Rates Team.

#### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 To ensure that the Authority complies with the grant conditions in order to obtain and fully utilise the grant funding in respect of any rate relief awarded under the WG Scheme as detailed in the guidance set out at Appendix 1.

#### **5. THE REPORT**

- 5.1 WG has announced the 'High Street and Retail Rate Relief Scheme' 2019-20 (the 2019/20 Scheme). It is intended that the relief under the 2019/20 Scheme will be made available subject to the Authority adopting the new Scheme as set out in the guidance at Appendix 1 and accepting the grant offer.
- 5.2 The 2019/20 Scheme aims to provide support for eligible retail businesses by offering up to £2,500 discount on the business rate bill per property, to retailers occupying premises with a rateable value of £50,000 or less for the financial year 2019-2020, subject to State Aid limits. WG has issued the estimated funding allocation for the Scheme, and this Authority's estimated allocation is £920k.
- 5.3 Relief is to be provided under Section 47 of the Local Government Finance Act 1988 in accordance with the criteria and conditions specified in the guidance set out at Appendix 1 of this report.
- 5.4 Appendix 1 is a guidance document issued by WG which in effect prescribes the detailed criteria and conditions for the Scheme.
- 5.5 In order to qualify for this rate relief, the guidance states that it will be for local authorities to determine how they wish to administer the Scheme. In order to maximise take-up by ratepayers and minimise administration costs for the Authority, it is proposed that rate relief is applied directly to eligible ratepayers' bills for those ratepayers who completed an application form and received rate relief under the 2018-19 Scheme, and are eligible for rate relief under the 2019-20 Scheme. In these cases, an application form will not need to be completed for 2019-20. However, if this path were to be followed, the guidance sets out a substantial amount of text which it recommends should be incorporated into an award letter addressed to each eligible ratepayer setting out the State Aid implications. Furthermore, if an eligible ratepayer believes he or she is not entitled to receive this relief, a declaration within the letter must be signed and returned to the Authority.
- 5.6 An application form will need to be completed in cases where a ratepayer did not receive High Street rate relief last year but meets the 2019-20 Scheme eligibility criteria. In 2018/19, officers issued initial application forms and several months later follow-up reminder letters were issued urging those ratepayers yet to apply to do so without further delay. It is intended that similar arrangements will be made for this scheme where a properly completed application form is not held in respect of the 2018/19 Scheme.
- 5.7 Officers of the Authority will make the business community aware of the 2019/20

Scheme through its usual channels, such as its website, social media channels and the 'Newsliner' publication. In addition, where an application form is required to be completed, the Authority will write to ratepayers that it considers may be eligible for relief under the 2019/20 Scheme to inform them about the availability of relief and to provide information on the application process. The Authority's Business Rate Team will therefore write to all newly-eligible businesses enclosing the appropriate application form to try and maximise take-up of the 2019/20 Scheme.

5.8 Full details of the Scheme, including the qualifying criteria, are included in the guidance set out at Appendix 1.

## 5.9 **Conclusion**

The report gives details of a new rate relief scheme offered by WG and attaches at Appendix 1 details of the new Scheme. Adoption of the new Scheme as set out at Appendix 1 is obligatory because WG has prescribed the details for the Scheme. The Authority must formally adopt the new Scheme set out in the guidance at Appendix 1 in order to obtain the WG grant funding. In order to implement the new Scheme, Members are advised to endorse all of the recommendations at points 3.1 to 3.3 inclusive.

## 6. **ASSUMPTIONS**

6.1 It is assumed that the recommendations in the report will maximise the use of the grant funding in terms of the amount of rate relief awarded, whilst minimising the staff/administrative costs incurred in awarding the rate relief.

## 7. **LINKS TO RELEVANT COUNCIL POLICIES**

7.1 The adoption of the 2019/20 Scheme will support eligible businesses by reducing the amount of business rates payable which in turn may help create employment opportunities and increase entrepreneurial activities which is a key theme of 'A Foundation for Success 2018-2023' – Regeneration Strategy.

### 7.2 **Corporate Plan 2018-2023.**

This section shows how the report content (project, proposal, information or decision) contributes towards or impacts the Corporate Well-being Objectives, which are:

Objective 2 - Enabling employment – the awarding of rate relief under the Scheme will reduce the amount of business rates payable by businesses operating within the County Borough, which in turn should help those businesses to sustain the employment of residents.

## 8. **WELL-BEING OF FUTURE GENERATIONS**

8.1 Effective financial management is a key element in ensuring that the Well-being Goals in the Well-being of Future Generations Act (Wales) 2015 are met.

- A prosperous Wales – maximising the take-up of this WG business rate relief scheme will minimise the amount of rates payable by eligible businesses which helps them to continue trading.

- Long Term – It is hoped that eligible local businesses will be able to continue trading which will enable future generations to benefit in the long-term from a diverse number of local retailers, which should also improve the economic, social, environmental and cultural well-being of residents.

## **9. EQUALITIES IMPLICATIONS**

- 9.1 An Equality Impact Assessment (EIA) has been completed in accordance with the Council's Strategic Equality Plan 2016-2020 and supplementary guidance and is set out in Appendix 2. No potential for unlawful discrimination and/or low level or minor negative impact has been identified. This assessment was necessary because WG has not undertaken its own EIA. Each application will be dealt with on its own merits, but will follow the guidance set out in Appendix 1. It is clear that the 2019/20 Scheme will positively assist certain businesses.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 There are no direct financial implications to the Authority as the Authority will be reimbursed by WG for any relief granted, provided it can evidence that the expenditure falls within the terms of the 'High Street and Retail Rate Relief Scheme' 2019-20 grant offer.
- 10.2 Based on an initial WG assessment of qualifying businesses for the 'High Street and Retail Rate Relief Scheme' 2019-20, the funding available to this Authority is estimated to be £920k. This figure is subject to change due to the daily amendments made to the Authority's rating list.

## **11. PERSONNEL IMPLICATIONS**

- 11.1 There are none in respect of this report.

## **12. CONSULTATIONS**

- 12.1 There are no consultation responses which have not been reflected in this report.

## **13. STATUTORY POWER**

- 13.1 Local Government Finance Act 1988, Government of Wales Act 2006 and Local Government Act 1972, 2000 and 2003. The decision as to whether to adopt the WG 'High Street and Retail Rate Relief Scheme' 2019-20 may be taken by Cabinet. The Head of Corporate Finance and S151 Officer will use delegated powers to award the relief.

## **14. URGENCY (CABINET ITEMS ONLY)**

- 14.1 This report will be subject to a "call-in" procedure whereby the relevant Scrutiny Committee can ask for the implementation of the decision to be delayed until it has considered the matter and, if the Scrutiny Committee is so inclined, to ask Cabinet to

reconsider its decision.

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Background Papers:  
Contact Finance Manager (Revenues) (ext. 3421)

Appendices:  
Appendix 1: 'High Street and Retail Rates Relief in Wales'- 2019-20 Guidance'  
Appendix 2: 'CCBC EIA HSRRR 2019'