



RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

25TH MARCH 2021

NON DOMESTIC RATE (NDR) RELIEF SCHEME FOR RETAIL, LEISURE AND HOSPITALITY

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:

- a) Details of the Welsh Government Non Domestic Rates – Retail, Leisure and Hospitality Rate Relief (RLH) Scheme for 2021/22

2. RECOMMENDATIONS

2.1 It is recommended that Cabinet:

- a) Note the details of the RLH Scheme and formally adopt the scheme for the year 2021/22

3. REASONS FOR RECOMMENDATIONS

3.1 To ensure that qualifying businesses benefit from the RLH scheme for the whole of the financial year 2021/22 (in relation to business rate payments).

4. BACKGROUND

4.1 In March 2020, in response to the growing concerns about the impact of the COVID 19 pandemic on the economy in Wales, Welsh Government published details of a financial support package for businesses, which included a new temporary business rates relief scheme for the financial year 1st April 2020 – 31st March 2021.

4.2 The scheme, the Retail, Leisure and Hospitality Rate Relief scheme, provided a business rate “holiday” for all qualifying businesses for the whole period and was fully funded by WG. During 2020/21, around 1,300 businesses in Rhondda Cynon Taf have benefitted from £16M of rate relief through the scheme.

- 4.3 On 3rd March 2021, the WG Minister for Finance and Trefnydd announced the extension of the relief on a temporary basis for 2021-22, details of which are set out in this report.

5. RETAIL, LESIURE AND HOSPITALITY (RLH) RATES RELIEF IN WALES SCHEME

- 5.1 The RLH scheme delivers full rates relief for the financial year 2021/22 and is aimed at businesses and other ratepayers in Wales in the retail, leisure and hospitality sectors, such as shops, pubs, restaurants, gyms, performance venues and hotels.
- 5.2 The scheme aims to provide support for eligible occupied properties by offering a discount of 100% on the non-domestic rates bill of all eligible premises. The scheme will apply to all eligible ratepayers with a rateable value of £500,000 or less.
- 5.3 The list of the types of businesses able to qualify for the relief is set out at Appendix 1 with those non-qualifying businesses set out at Appendix 2. One of the key qualifying criteria is that the property (hereditament) is used for the provision of goods and / or services to visiting members of the public.
- 5.4 As the scheme is a temporary measure, WG are providing the relief by reimbursing Councils that use their discretionary relief powers under Section 47 of the Local Government Finance Act 1988. It will be for individual Councils to adopt a scheme and decide in each individual case when to grant relief under Section 47. The Welsh Government will reimburse local authorities for the relief that is provided in line with this guidance via a grant under Section 31 of the Local Government Act 2003 and Section 58A of the Government of Wales Act 2006.

6. EQUALITY AND DIVERSITY IMPLICATIONS

- 6.1 There are no equality and diversity implications.

7. CONSULTATION / INVOLVEMENT

- 7.1 No consultation was needed on this scheme.

8. FINANCIAL IMPLICATION(S)

- 8.1 There are no financial implications on the Council for this scheme as it is being fully funded by Welsh Government.

9. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 9.1 The RLH Relief Scheme is in accordance with the Council's statutory powers under Section 47 of the Local Government Finance Act 1988.
- 9.2 For the scheme to be applied in Rhondda Cynon Taf, the Council needs to formally resolve to adopt the scheme 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'.

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

10.1 The proposals are aligned to the Council's Corporate Plan priorities, one of which is 'Prosperity – create the opportunity for people and businesses to be innovative, entrepreneurial and fulfil their potential and prosper.

11. CONCLUSION

11.1 The Welsh Government Non Domestic Rates – Retail, Leisure and Hospitality Rate Relief (RLH) Scheme for 2021/22 will provide further much needed financial support and certainty for local businesses to meet their 2021/22 rate liability and will supplement the Council's wider commitment to maintain vibrant town centres across Rhondda Cynon Taf.

Appendix 1

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

- Hereditaments 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)

- Hereditaments 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, eg. for theatre
 - Dry cleaners
 - Launderettes
 - PC, TV or domestic appliance repair
 - Funeral directors
 - Photo processing
 - DVD or video rentals
 - Tool hire
 - Car hire
 - Cinemas
 - Estate and letting agents

- Hereditaments 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

We consider assembly and leisure to mean:

- 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

We consider hotels, guest & boarding premises and self-catering accommodation to mean:

- 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 Retail, Leisure and Hospitality Rates 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

There are a number of further types of hereditament which the Welsh Government believes should not be eligible for the relief:

- Hereditaments that are not reasonably accessible to visiting members of the public

If a hereditament is not usually reasonably accessible to visiting members of the public, it will be ineligible for relief under the scheme even if there is ancillary use of the hereditament that might be considered to fall within the descriptions in Appendix 1.

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

- a) Properties with a rateable value of more than £500,000
- b) Properties that are not occupied
- c) Properties that are owned, rented or managed by a local authority
- d) Properties owned, rented or managed by a local authority, such as visitor centres, tourist information shops and council-run coffee shops or gift shops attached to historic buildings, are exempt from this scheme

Other Information:-

Relevant Scrutiny Committee:

Finance & Performance

(Terms of Reference of each of the Scrutiny Committees to assist Officers with selecting the correct Committee.)

Contact Officer

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:

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