

NNDR EXPANDED RETAIL DISCOUNT AND NURSERY DISCOUNT 2021-22

Head of Service:	Judith Doney, Head of Digital and Service Transformation
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/a
Appendices (attached):	Appendix 1 – NNDR Expanded Retail Discount and Nursery Discount Schemes 2021-22

Summary

This report details changes announced in the government's 2021 Spring Budget and for which the Council needs to agree its position.

Recommendation (s)

The Committee is asked to:

- (1) Agree that the scheme set out in Annex 1 be adopted as the method of awarding the Expanded Retail and Nursery Discount to Business Rates payers in Epsom & Ewell, with effect from 1 April 2021 to 31 March 2022.**

1 Reason for Recommendation

- 1.1 The Council must adopt a local scheme for the administration of the Expanded Retail Discount and the Nursery Discount. Annex 1 of this report provides details of how the discount could operate locally. It incorporates the published Government guidance which is being used by all local authorities.
- 1.2 The implementation of the Expanded Retail Discount and Nursery Discount Scheme up to the 31 March 2022, will fulfil Epsom & Ewell Borough Council's legal obligations and support businesses within our local commercial areas.

Strategy and Resources Committee

29 April 2021

2 Background

- 2.1 Within Epsom & Ewell there are approximately 1700 non-domestic properties. It is generally recognised that Business Rates is already one of the largest financial burdens for small local businesses.
- 2.2 The government have been under pressure from business groups to help businesses reduce this burden. This has become even more vital due to the effects of the pandemic lockdowns and the loss of a number of big high street brands this year. Both of these factors have placed even more pressure on those businesses trying to survive and increasing concern about the viability of high streets across the country.
- 2.3 Since 2019/20 the government has provided a Business Rates Retail Discount for retail properties, which for 2020/21 it expanded to include the leisure and hospitality sectors and increased to 100%. This equated to nearly £15million of rate relief been awarded to qualifying Epsom & Ewell businesses in 2020-21. On 3 March 2021 the government confirmed that the Expanded Retail Discount would continue to apply in 2021/22 at 100% for three months, from 1 April 2021 to 30 June 2021, and at 66% for the remaining period, from 1 July 2021 to 31 March 2022.
- 2.4 On 18 March 2020, the Government announced the business rates Nursery Discount 2020/21 as part of the response to the COVID-19 pandemic. This resulted in over £400K of rate relief been awarded to qualifying nurseries in Epsom & Ewell. At the Budget on 3 March 2021, the Chancellor announced that the Nursery Discount would continue to apply at 100% for eligible properties for the first three months of 2021 from 1 April 2021 to 30 June 2021. Subsequently, from 1 July 2021 to 31 March 2022, the Nursery Discount will apply at 66%.
- 2.5 Due to the current national situation, there was not enough time to lay new regulations, in order for discounts to be awarded to businesses from 01 April 2021. The government has therefore instructed Local Authorities to use their discretionary powers contained within S.47 of the LGFA1988, to award the discounts as soon as possible.
- 2.6 As the Council will be using its discretionary powers to make awards under this scheme, it is required that the scheme is agreed by the Council's Strategy and Resources Committee.

3 Risk Assessment

Legal or other duties

3.1 Impact Assessment

- 3.1.1 The legislative nature of the Discount means that the council must implement an Expanded Retail Discount and Nursery Discount Scheme. Failure to implement a scheme as laid out by Central Government would put the funding of these discounts at risk.

Strategy and Resources Committee

29 April 2021

3.2 Crime & Disorder

3.2.1 None arising from the contents of this report.

3.3 Safeguarding

3.3.1 None arising from the contents of this report.

3.4 Dependencies

3.4.1 None arising from the contents of this report.

3.5 Other

3.5.1 None arising from the contents of this report.

4 Financial Implications

4.1 Although we are required to use our discretionary powers to administer this discount, the government have made it clear that they do not want councils to be financially disadvantaged. They have confirmed that the full cost of awarding the discounts will be refunded to the council by way of a Section 31 grant. These grants are provided on an annual basis based on the NNDR government returns which are completed by the council.

4.2 As both discounts were both already in place for the 2020-21, the Council has been able to automatically award the 100% discount to qualifying businesses for the 2021-22 year as part of our annual billing process, in line with government advice. It has been made it clear to ratepayers on their demand notices that this discount will reduce from 01 July 2021 and the Council will be issuing revised notices shortly before this date.

4.3 Special consideration will also need to be given to the cash caps and the effect on business eligibility when processing the discounts from 1 July 2021. In order to ensure these caps are not breached, businesses will be required to complete an application form declaring the continuation of awarding these discounts would not put them in breach of the cash cap limits.

4.4 Any deviation from the government guidance, including the potential widening of the criteria to other categories of business, would result in the Council being required to fund such discount itself.

4.5 **Section 151 Officer's comments:** By following the government's recommended guidance, the Council will award business rate discounts to eligible businesses and receive full funding for the discounts from central government.

Strategy and Resources Committee

29 April 2021

5 Legal Implications

- 5.1 The Council is required to adopt an Expanded Retail Discount and Nursery Discount Scheme as set out by the government in their budget on 03 March 2021.
- 5.2 **Monitoring Officer's comments:** none arising from the contents of this report.

6 Policies, Plans & Partnerships

- 6.1 **Council's Key Priorities:** The following Key Priorities are engaged: Opportunity & Prosperity.
- 6.2 **Service Plans:** The matter is not included within the current Service Delivery Plan.
- 6.3 **Climate & Environmental Impact of recommendations:** None for the purposes of this report.
- 6.4 **Sustainability Policy & Community Safety Implications:** None for the purposes of this report.
- 6.5 **Partnerships:** Locally the Council and our partners have already put much resource in to improving our commercial areas. Assisting with Business Rates liabilities where possible, supports this objective and helps to maintain diverse and healthy commercial sectors, which in turn bring people and additional revenue into the borough.

7 Background papers

- 7.1 The documents referred to in compiling this report are as follows:

Previous reports:

- NNDR Retail Relief and Council Tax Long-Term Empty Premium – Strategy & Resources Committee 31 January 2019.

Other papers:

- Business Rates: nursery (childcare) discount 2021-2022 – local authority guidance - .gov.uk website
- Business Rates: expanded retail discount 2021-2022 – local authority guidance - .gov.uk website.