

Birmingham City Council

Report to Cabinet

Date: 20th April 2021



Subject: BUSINESS RATES – EXPANDED RETAIL DISCOUNT 2021 TO 2022

Report of: Director, Digital and Customer Services

Relevant Cabinet Member: Councillor Brigid Jones, Deputy Leader
Councillor Tristan Chatfield, Finance and Resources

Relevant O &S Chair(s): Councillor Sir Albert Bore, Resources

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Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Forward Plan Reference		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

1 Executive Summary

- 1.1 To provide details of the business rates expanded retail discount announced in the budget on 3 March 2021.

2 Recommendations

That Cabinet:

- 2.1 Approve the award of Expanded Retail Discount to eligible ratepayers using discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended) for the 21/22 financial year.

3 Background

3.1 Background and Service Requirements

- 3.1.1 Since the beginning of the 2019/20 tax year 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.
- 3.1.2 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 21 March 2022.
- 3.1.3 The government confirmed that there would be no cash cap on the relief received for the period from 1 April 2021 to 30 June 2021. From 1 July 2021, relief will be capped at £105,000 per business, or £2m per business where the business is in occupation of a property that was required, or would have been required to close, based on the law and guidance applicable on 5 January 2021.
- 3.1.4 Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties subject to the cash caps.
- 3.1.5 Details of the broad eligibility criteria for Expanded Retail Relief Discount are shown below:
 - a) They are wholly or mainly being used:
 - i. as shops, restaurants, cafes, drinking establishments, cinemas and live music venues,
 - ii. for assembly and leisure; or
 - iii. as hotels, guest & boarding premises and self-catering accommodation
- 3.1.6 Full details of the Expanded Retail Relief Discount Scheme are provided in Appendix A but it is expected that approximately 9,499 businesses will benefit from the relief estimated to total £142m.

4 Consultation

- 4.1 None

5 Risk Management

- 5.1 None

6 Compliance Issues:

6.1 How are the recommended decisions consistent with the Council's priorities, plans and strategies?

6.1.1 This discount will make a direct contribution and is consistent with the Council's Priorities and Plan 2018 – 2022 (updated 2019) These policies are outlined below:

- Birmingham is a great city to live in; awarding of the Expanded Retail Discount in 2021/22 to those eligible ratepayers will provide much needed support and assistance during difficult times through the Covid-19 pandemic.

6.2 Legal Implications

6.2.1 Award of Expanded Retail Discount to eligible ratepayers using discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended).

6.2.2 As this is a measure for 2021/22 only, the government is not changing the legislation relating to the reliefs available to properties.

6.3 Financial Implications

6.3.1 The government will, reimburse local authorities that use their discretionary relief powers under section 47 of the Local Government Finance Act 1998 (as amended) to grant relief.

6.3.2 This will be reimbursed using section 31 of the Local Government Act 2003.

6.4 The scheme from 1 April 2021 includes the option for ratepayers to refuse the discount.

6.5 At the end of the 21/22 financial year, Birmingham City Council will be asked to provide outturn data on the actual total cost for providing the relief. Any loss of income due to the awarding of the Expanded Retail Discount relief will be reconciled against the on-account payments made over the course of the year, and any difference paid or recovered.

6.6 Human Resources Implications

6.6.1 None

6.7 Public Sector Equality Duty

6.8 Not required

7 Appendix A

7.1 Expanded Retail Discount Guidance