

WELWYN HATFIELD BOROUGH COUNCIL
CABINET – 6 FEBRUARY 2023
REPORT OF THE EXECUTIVE DIRECTOR (FINANCE AND TRANSFORMATION)

COUNCIL TAX SUPPORT FUND AND RETAIL HOSPITALITY AND LEISURE
BUSINESS RATES RELIEF SCHEME

1 Executive Summary

- 1.1 The Government is introducing a Council Tax Support Fund and Retail, Hospitality and Leisure Business Rates Relief scheme for 2023/24. Both these schemes need to be launched and included with 2023/24 council tax and business rate bills, which will be produced towards the end of February 2023.
- 1.2 The Council Tax Support Fund will allow this Council to deliver additional support to households already receiving council tax support. This could include potentially vulnerable residents.
- 1.3 The Retail Hospitality and Leisure Relief Scheme will help qualifying businesses alleviate any financial difficulties they may suffer and help them evolve and adapt to changing consumer demands.

2 Recommendation(s)

- 2.1 Cabinet give delegated authority to the Executive Director (Finance and Transformation) in consultation with the Executive Member for Resources and Planning to agree the process and any subsequent amendments for distribution of Council Tax Support Fund Payments in 2023/24.
- 2.2 Cabinet give delegated authority to the Executive Director (Finance and Transformation) in consultation with the Executive Member for Resources and Planning to agree a discretionary rate relief policy and any subsequent amendments for awarding retail, hospitality and leisure relief, for the 2023/24 year.

3 Explanation

3.1 Council Tax Support Fund

- 3.1.1 Recognising the impact of rising bills, the Government is providing new grant funding in 2023/24 to support economically vulnerable households with council tax payments. The funding should be used to reduce bills for current working age and pension age council tax support (CTS) claimants by up to £25. The remaining allocation can be used to support vulnerable households with council tax bills.
- 3.1.2 Where a resident's liability for 2023/24 is, following the application of CTS, less than £25, then their liability would be reduced to nil. Where a resident's liability for 2023/24 is nil, no reduction to the council tax bill will be available and those bills cannot be credited. There will be no need for any CTS recipients to make a separate claim for a reduction under this scheme. We will assess who is eligible for support and automatically apply the discount.

3.1.3 There is a need for urgency to enable this change to be included with the preparation of 2023/24 council tax bills, with testing and parameter setting starting in late January and continuing through February, so delegation of decision making is being recommended. It is anticipated the member decision will be taken in mid-February to enable bills to be adjusted before being issued.

3.2 Business Rate - 2023/24 Retail, Hospitality and Leisure Relief Scheme

3.2.1 This relief was initially introduced as part of the Covid-19 measures to support local businesses during the pandemic and eligible businesses have been in receipt of:

- 100% off business rates bills for the 2020/21 tax year.
- 100% off business rates bills for the first 3 months of the 2021/22 tax year (1 April 2021 to 30 June 2021)
- 66% off business rates bills for the rest of the 2021/22 tax year (1 July 2021 to 31 March 2022) - up to a total value of £2 million.
- 50% off business rate bills for 2022/23, with the exclusion of nurseries.

3.2.2 The 2023/24 Retail, Hospitality and Leisure Business Rates Relief scheme is only available to reduce chargeable amounts in respect of 2023/24 and will provide eligible, occupied, retail, hospitality and leisure properties with 75% relief, up to a cash cap limit of £110,000 per business. Details of this relief will be included in eligible ratepayers 2023/24 business rate bills.

3.2.3 The policy is being drafted, and it is anticipated the member decision will be taken in mid-February to enable bills to be adjusted before being issued.

Implications

4 Legal Implication(s)

4.1 The Council Tax Support Scheme applies to current CTS claimants that have a 2023/24 council tax liability and we will be using our discretionary powers under s13A(1)(c) of the Local Government Finance Act 1992.

4.2 The Retail, Hospitality and Leisure Business Rates Relief scheme will be administered through discretionary relief powers, introduced by the Localism Act 2011, which amended section 47 of the Local Government Finance Act 1988.

5 Financial Implication(s)

5.1 The Council will receive £162,530 Council Tax Support Fund funding. At the end of December 2022 we had 6,218 CTS claimants, with 1,767 in receipt of 100% CTS and nothing to pay. This leaves 4,451 claimants and there is sufficient funding to pay all eligible CTS recipients up to £25.00 with residual funding used throughout the year to pay new CTS claimants, up to the level of funding available. The funding must be used on the 2023/24 year.

5.2 Local authorities will be compensated in full for the Retail, Hospitality and Leisure Business Rates Relief scheme loss of income as a result of the changes required. This compensation will be paid in the same way as it has been previously, by section 31 grant, Local Government Act 2003, and calculated on the basis of the returns that the Council makes under the rates retention scheme.

5.3 The implementation of these schemes will place an additional burden on local authorities. In accordance with the New Burdens doctrine the government will conduct an assessment of the expected reasonable additional costs associated

with the implementation of these schemes, and is anticipated to cover the costs of administering the schemes.

6 Risk Management Implications

- 6.1 There is a risk that residents and businesses may not receive support in a timely manner and struggle to meet rising domestic and commercial bills if these schemes are not implemented in a timely manner. This decision will enable schemes to be agreed before bills are issued, reducing these risks.

7 Security & Terrorism Implication(s)

- 7.1 There are no security and terrorism implications with the recommendation in this report.

8 Procurement Implication(s)

- 8.1 There are none.

9 Climate Change Implication(s)

- 9.1 The proposals in this report will not impact on greenhouse gas emissions.

10 Human Resources Implication(s)

- 10.1 There are no direct human resources implications arising from this report.

11 Health and Wellbeing Implication(s)

- 11.1 Those people in receipt of council tax support could be suffering financial hardship, which will be supported through the timely implementation of these schemes

12 Communication and Engagement Implication(s)

- 12.1 National campaigns are in place regarding these schemes. Information in relation to these schemes will also be placed on the councils website.

13 Link to Corporate Priorities

- 13.1 The subject of this report is linked to the Council's Corporate Priority: Being a well run council which puts its customers first.

14 Equality and Diversity

- 14.1 An Equality Impact Assessment will be completed on the Council Tax Support Fund and any considerations will be included in the Executive Member Decision.
- 14.2 An Equality Impact Assessment has been completed on the Retail Relief Scheme and no negative impact was identified on any of the protected groups under Equalities legislation.

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