



City of Westminster

# Cabinet Member Report

**Decision Maker:** Cabinet Member for Finance and Council Reform

**Date:** 14 February 2023

**Classification:** General Release

**Title:** Revision of the Council's NNDR Discretionary Relief Guidelines for 2023/24

**Wards Affected:** All

**Financial Summary:** The cost of sections 1-3 in Appendix A is governed by the Council's end of year position within the Business Rate Retention Scheme. However, the cost to the Council will not exceed 30% of the total amount awarded in the financial year 2023/24. Section 4 of Appendix A is fully funded by central government.

**Report of:** Martin Hinckley  
Director of Revenues and Benefits

## 1. Summary

- 1.1 This report seeks approval of the revised version of the Council's NNDR Discretionary Relief Guidelines for 2023/24.
- 1.2 Changes have been made to the guidelines shown at Appendix A to reflect the administrative changes, including the addition of whether a business pays its employees the London Living Wage when making an application for a Local Discount or Hardship Relief. The guidelines shown at Appendix A also include the government's requirement for local authorities to use Section 47 Local Government Finance Act 1988 for the administration of the:
  - 2023/24 Retail, Hospitality and Leisure Relief Scheme
  - Supporting Small Business Relief for 2023/24

## 2. Recommendation

- 2.1 That the revised NNDR Discretionary Relief guidelines as shown at Appendix A are approved.

### **3. Reason for decision**

- 3.1 The proposed guidelines at Appendix A will, by providing criteria to be considered when making decisions, assist with robust and consistent decision-making.

### **4. Background**

- 4.1 Section 1-3 of Appendix A have been updated to ensure that all decisions are consistent, robust and that the guidance aligns with Fairer Westminster. When considering applications for the Local Discounts/NNDR Hardship Relief for 2023/24, we will ask whether the applicant pays its employees the London Living Wage.
- 4.2 Section 4 of Appendix A addresses the central government prescribed awards. The government has in recent years introduced several new NNDR discounts/allowances which it has required local authorities to administer through the existing NNDR Discretionary Relief legislation (Section 47 of the Local Government Finance Act 1988). There is no real discretion for local authorities, as the government expects local authorities to award relief and has committed to fully fund all such awards.
- 4.3 For 2023/24, central government have asked that local authorities implement and administer the following schemes under Section 47 of the Local Government Finance Act 1998:
- 2023/24 Retail, Hospitality and Leisure Relief Scheme
  - Supporting Small Business Relief for 2023/24
- 4.4 The 2023/24 Retail, Hospitality and Leisure (RHL) relief scheme will provide eligible, occupied, retail, hospitality, and leisure properties with 75% relief, up to a cash cap of £110,000 per business across all of their hereditaments in England.
- 4.5 A new Supporting Small Business (SSB) relief scheme which will cap NNDR bill increases at £600 per year for any business losing eligibility for Small Business Rate Relief at the 2023 Revaluation. The scheme also provides support for those previously eligible for the 2022/23 SSB scheme and continue to face large increases in 2023/24, but in those cases for one further year only.
- 4.6 Subsidy limits apply to all sections within the guidance, the revised guidance addresses the change in subsidy limits which is now referred to as Minimal Financial Assistance (MFA).

### **5. Financial Implications**

- 5.1 The cost of sections 1-3 in Appendix A is governed by the Council's end of year position within the Business Rate Retention Scheme. However, the cost to the Council will not exceed 30% of the total amount awarded in the financial year 2023/24.

5.2 The central government prescribed schemes detailed in section 4 of Appendix A will be fully reimbursed by central government using a grant under section 31 of the Local Government Act 2003.

## **6. Legal Implications**

6.1 The liability for NNDR (Business Rates) is set out in the Local Government Finance Act 1988. Section 47 of the Local Government Finance Act 1988 allows a local authority to grant Discretionary Relief, this section was amended by the Localism Act 2011 to allow local authorities to grant Discretionary Relief to any ratepayer, subject to UK Subsidy Allowance Limits (the previous EU State Aid Limit). In recent years central government has used Section 47 for new schemes to avoid the requirement for new legislation.

6.2 The Retail Hospitality and Leisure Relief Scheme and Supporting Small Business Relief schemes are required to be administered under the same legislation.

6.3 Section 49 of the Local Government Finance Act 1998 enables a local authority to grant Hardship relief up to 100% of the NNDR liability.

## **7. Outstanding Issues**

7.1 There are no outstanding issues.

## **8. Ward Member Consultation**

8.1 There is no requirement for separate Ward Member consultation as the report relates to all wards.

8.2 The Rating Advisory Panel have been consulted on the revised guidance document.

**If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:**  
Martin Hinckley [mhinckley@westminster.gov.uk](mailto:mhinckley@westminster.gov.uk)

## **APPENDICES**

Appendix A: Guidelines for Applications for NNDR Discretionary Relief

For completion by the **Cabinet Member for Finance and Council Reform**

**Declaration of Interest**

I have no interest to declare in respect of this report

Signed: David Boothroyd Date: 14 February 2023

NAME: Councillor David Boothroyd

State nature of interest if any .....

.....  
(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled

**Revision of the Council’s NNDR Discretionary Relief Guidelines for 2023/24**

Signed David Boothroyd .....

**Cabinet Member for Finance and Council Reform**

Date ...14 February 2023.....

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment: .....

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Head of Legal & Democratic Services, Director of Finance and, if there are resources implications, the Strategic Director of Resources (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.