



**Report To:** Finance and Staffing Portfolio Holder  
**Lead Officer:** Executive Director

22 August 2017

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## NON-DOMESTIC RATES DISCRETIONARY RELIEF POLICY – REVALUATION RELIEF

### Purpose

1. To request that the Portfolio Holder formally adopt a revised policy for the granting of Discretionary Rate Relief to Business properties.
2. This is a key decision because it is significant in terms of its effects on communities living or working in an area comprising two or more wards or electoral divisions in the area of the relevant local authority, and it was first published in the July 2017 Forward Plan.

### Recommendations

3. It is recommended that the Council formally adopt the “Discretionary Business Rate Relief Policy” as shown in Appendix A

### Reasons for Recommendations

4. The adoption of a formal policy ensures that billing and collection is carried out in accordance with the law and government requirements. It will benefit and support businesses who meet the criteria, whilst minimising the risk of legal challenge.

### Background

5. At the Budget on 8<sup>th</sup> March 2017, the Chancellor announced that the government would establish a £300m discretionary fund over four years from 2017/18, to support those businesses that face the steepest increases in business rates bills as a result of revaluation.
6. The fund was allocated to each billing authority based on the number of properties in the area with a rateable value of less than £200,000 that were subject to an increase of more than 12.5%, before other reliefs. The government made assumptions that billing authorities may use similar criteria to target their own relief schemes.
7. The total amount of funding allocated to South Cambridgeshire District Council is as follows:

Total Amount of Discretionary Relief to be awarded to Ratepayers			
2017/18	2018/19	2019/20	2020/21
£495,000	£241,000	£99,000	£14,000

The figures shown above represent the maximum amount of discretionary relief that billing authorities can award for which they and major precepting authorities will be compensated through Section 31 grant.

## Considerations

8. Billing authorities are expected to use their proportion of the funding to develop a new discretionary relief scheme to deliver targeted support to the most hard-pressed ratepayers.
9. In designing the scheme, the funding criteria set out by Government formed the basis for the award criteria, which was then modelled across our own rating list in order to develop a scheme that provides real benefit to the ratepayers across the district. As our data contains details of reliefs already in payment, when these were excluded we were able to expand the range of ratepayers that may stand to benefit, reducing the limit around bill increases from 12.5% to 10%.
10. Based on the criteria set out in APPENDIX A, we have identified that approximately 300 ratepayers may benefit from Revaluation Relief, with an average award of £1200.00 in 2017/18.
11. We have also managed to create a separate fund of £50,000 to form a Revaluation Hardship Fund. This will be used to support ratepayers in the district that fall outside of the qualifying criteria but can demonstrate hardship caused by revaluation.
12. It is expected that in year one, the funding will be distributed as follows:

Approximate amount awarded to identified businesses	£370k
Approximate amount for Hardship fund	£50k
Additional funding to cover any exceptions eg Backdated RV changes that may bring additional ratepayers within scheme criteria, or additional awards in exceptional cases	£75k

13. Whilst the scheme criteria and amounts that can be awarded are set out within the policy, it is important that every case is considered on its merits. Therefore there may be occasions when a decision is taken to award more than the guideline amount.
14. Any relief under this scheme will be granted for one year only. It is not yet clear if billing authorities will be able to flex award amounts across years. Once this is clarified, we will consider how the scheme may operate in future years.

## Options

15. Adopting the scheme design and policy will provide additional support to the business in the District, and ensure that the Council is meeting government requirements

## Implications

16. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered: -

## Financial

17. Compensation arrangements have been put into place by Government to reimburse billing and precepting authorities, in line with the current business rate retention scheme. South Cambridgeshire District Council will be reimbursed 40% of the total

amount awarded, Cambridgeshire County Council 9% and Cambridgeshire Fire Authority 1%, up to the total fund allocation. Any amount that exceeds the allocation would not be reimbursed, and so when designing the scheme a contingency has been established.

***Legal***

18. The award of rate relief is beneficial to local businesses and the adoption of a formal policy reduces the risk of legal challenge.

***Equality and Diversity***

19. We ensure that revenue billing and collection are delivered in a fair and consistent manner to all members of the community.

**Consultation responses (including from the Youth Council)**

20. The attached policy and draft report were sent for consultation to Cambridgeshire & Peterborough Combined Authority, Cambridgeshire County Council and Cambridgeshire Fire Authority on 14<sup>th</sup> July 2017, requesting that any responses be returned by 28<sup>th</sup> July 2017. No responses were received.

**Effect on Strategic Aims**

**Aim 1 – Connected Communities**

21. Discretionary Rate Relief supports local businesses to continue to operate and provide employment within communities across the district.

**Background Papers**

Where [the Local Authorities \(Executive Arrangements\) \(Meetings and Access to Information\) \(England\) Regulations 2012](#) require documents to be open to inspection by members of the public, they must be available for inspection: -

- (a) at all reasonable hours at the offices of South Cambridgeshire District Council;
- (b) on the Council's website; and
- (c) in the case of documents to be available for inspection pursuant to regulation 15, on payment of a reasonable fee required by the Council by the person seeking to inspect the documents at the offices of South Cambridgeshire District Council.

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