



Report To: Finance and Staffing Portfolio Holder
Lead Officer: Alex Colyer, Executive Director

26th July 2018

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 June Forward Plan.

Recommendations

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

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. The existing policy was adopted in August 2017 for the relevant reliefs at that time, and included changes to cater for the Local Discretionary scheme.
6. The inception of a local discretionary scheme was announced at the budget on 8th March 2017. The Chancellor outlined 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.
7. 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.
8. 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.

9. Billing authorities were 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.
10. In designing the 2017/18 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%.
11. At the end of 2017/18, a total of 212 local businesses benefited from the scheme, with the following amounts being awarded:

Initial Funding Allocation		£495,000.00
Revaluation Relief	£428,390.00	
Revaluation Hardship Fund	<u>£27,209.95</u>	
Total Relief Awarded		<u>£455,600.12</u>
Balance for Changes		£39,399.88

Considerations

12. The current policy requires amendments, not only to cater for a reduction in funding for the local discretionary relief scheme over the next three years, but also to ensure that it is relevant and accurate at all times. For comparative purposes the current policy is shown at Appendix A.
13. The new policy can be found in Appendix B. Within the policy, the following changes have been made:
 - Section 44a Relief page 6. “Financial difficulties” has been removed as a valid circumstance for this relief, as this is covered within Hardship relief on page 8.
 - New Build Empty Property Relief previously page 14. This scheme has now ended, and so it has been removed from the policy
 - Enterprise Zone relief page 15. This has been updated to reflect that the Combined Authority have assumed responsibility for the role previously carried out by the Greater Cambridge and Greater Peterborough Local Enterprise Partnership, which is now in liquidation.
 - Local Newspaper Relief page 17. An error had been identified on the last line of this page. This has been corrected to state that the relief can be awarded for 2017/18 and 2018/19 only.
 - Local Discretionary Relief (revaluation relief) page 18-19. Additional detail has been added to page 19 of the policy, under point C in the “Amount of award” section, to set out that award amounts will reduce proportionately in line with funding arrangements. A change has also been made to bring the decision making process in line with other discretionary reliefs within the policy.

Some minor amendments have also been made to the introduction of the policy to reflect the above changes.

14. Whilst scheme criteria and amounts that can be awarded would be set out within the policy, it is important that every case is considered on its merits, and so there may be occasions where relief is considered outside of the specified criteria.

Options

15. Adopting the policy will provide additional support to 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 initial policy for the local discretionary scheme and draft report were sent for consultation to Cambridgeshire & Peterborough Combined Authority, Cambridgeshire County Council and Cambridgeshire Fire Authority on 14th July 2017, requesting that any responses be returned by 28th July 2017. No responses were received.

Effect on Strategic Aims

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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