

REPORT TO: Lead Cabinet Member for
Finance

March 2020

LEAD OFFICER: Peter Maddock – Head of Finance

Discretionary Business Rate Relief Policy

Executive Summary

1. The purpose of this report is to request that the Lead Cabinet Member for Finance formally adopt a revised policy for the granting of Discretionary Rate Relief to Business properties.
2. Changes to reliefs have been made by central Government and so the Council's policy should be updated accordingly.

Key Decision

3. This is a key decision because it could be 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.
4. A general exception notice was published on 26th February 2020, with the consent of the Chair of the Scrutiny Committee, to allow the decision to be taken.

Recommendations

5. It is recommended that the Lead Cabinet Member for Finance formally adopts the revised policy "Discretionary Business Rate Relief Policy" as shown in Appendix A. The previous policy is shown in Appendix B for information.

Reasons for Recommendations

6. The Government confirmed changes to reliefs in a ministerial statement on 27th January 2020, and so the policy requires an update to reflect these changes.
7. 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

Details

8. In the Queen's speech in December 2019, and later confirmed by a ministerial statement, the Government announced a change to the business rates discount

scheme for occupied retail properties where the rateable value is less than £51,000.

9. Whereas in 2019/20, the discount had previously been equivalent to one third of the business rates bill, after any mandatory reliefs and any other funded discretionary reliefs have been applied, in 2020/21 this has increased to 50%. The scheme has also been extended to include Cinemas and music venues in the list of eligible businesses.
10. The Government has re-introduced a discount for Pubs, where those with a rateable value of less than £100,000 will be eligible for a discount of £1,000. This is in addition to the Retail Discount
11. The existing relief scheme that provides a £1,500 discount for office space occupied by local newspapers was extended for a further five years, to 31st March 2025.
12. Legislative changes are not being made to accommodate the discounts. Instead, the Government expects that local authorities deliver the discounts via discretionary powers which already exist, and so changes are required to the Council's discretionary business rates relief policy to facilitate the administration of these reliefs.
13. The Government have expressed their expectation that these discounts will be provided to ratepayers in their annual bills for 2020/21.
14. In addition to the changes required for the new reliefs, the following "housekeeping" amendments have been made:
 - Page 4. Reference to pre-2013 funding arrangements have been removed
 - Page 5. Under "how will a decision be made?", an amendment has been made to confirm that plans provided will be passed to the Valuation Office Agency if the Council agrees that relief of this type is appropriate.
 - Page 8. Under "how will a decision be made?" an additional sentence has been added on bullet point 5 to clarify that financial details covering the period for which relief is being sought must be provided.
 - Page 12. An amendment has been made to clarify the funding arrangements

Options

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

Implications

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

Financial

16. Compensation arrangements have been put into place by Government to fully reimburse authorities for the local share of the new and amended reliefs, delivered in line with the eligibility criteria set out their guidance, via a grant under section 31 of the Local Government Act 2003. Details of funding arrangements for all discretionary reliefs can be found on page 4 of the policy

Legal

17. The adoption of a formal policy ensures consistency in decision-making and reduces the risk of legal challenge.

Alignment with Council Priority Areas

Growing local businesses and economies

18. The award of rate relief is beneficial to local businesses

Background Papers

Business Rates Information Letter, 27th January 2020

www.gov.uk/government/collections/business-rates-information-letters#2020

Appendices

Appendix A: Discretionary Business Rate Relief Policy March 2020

Appendix B: Discretionary Business Rate Relief Policy January 2019

Report Author:

Katie Kelly

Telephone: (01954) 713335