

**REPORT TO:** Cllr John Williams –  
Lead Cabinet Member for Finance

11<sup>th</sup> February 2022

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## **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 eligibility criteria for the Covid19 Additional Relief Fund (CARF) have been made to encourage uptake.

### **Key Decision**

3. This is not a key decision because only minor amendments are being made to one scheme within the existing policy.

### **Recommendations**

4. 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.

### **Reasons for Recommendations**

5. The adoption of a formal policy ensures that billing and collection is carried out in accordance with the law and government guidance and ensures that decisions regarding discretionary relief are reached in a transparent and consistent manner. It will benefit and support businesses who meet the criteria, whilst minimising the risk of legal challenge.
6. Insufficient interest has been gained from the first application window and so amendments are required prior to a further application window being launched.

### **Details**

7. The policy was last updated and adopted in February 2022, and included details of the CARF scheme, which was scheduled to open for applications from 1<sup>st</sup> April 2022.

8. Details of the new relief were included with annual bills sent to all ratepayers, and promotional activity for the scheme has been undertaken throughout the initial application window via social media and the Council's business newsletter.
9. Despite this activity, application volumes have been considerably less than anticipated. This appears to be a national trend for this particular scheme and is not specific to South Cambridgeshire District Council.
10. South Cambridgeshire District Council has been provided with a funding allocation of up to £6,298,035 for the Covid-19 Additional Relief Scheme, and will be reimbursed for the cost of relief up to this amount provided that it:
  - a) Does not award relief to ratepayers who for the same period of the relief are or would have been eligible for the Extended Retail Discount, Nursery Discount or the Airport and Ground Operations Support Scheme
  - b) Does not award relief to a hereditament for a period when it is unoccupied; and
  - c) Directs support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact
11. The scheme implemented was designed to target relief to those business which are more likely to have experienced a significant impact from Covid. However, applications from any business, subject to the criteria in point 12, would be considered where exceptional circumstances apply. The scheme details can be found on pages 19 and 20 of the policy in Appendix A.
12. In view of the low demand for the relief and prior to the opening of a second application window, the policy criteria has been reviewed to ensure that it encourages applications whilst still meet the requirements set out by Central Government. As a result, the following changes are proposed:
  - Removal of the exclusion that RV should not be less than 15,000
  - Amend the exclusion that "Ratepayers already in receipt of, or eligible to apply for, another relief or reduction will not be eligible for this relief" to read "Ratepayers already in receipt of, or eligible to apply for, another relief or reduction *equal to 100% of the rates payable* will not be eligible for this relief"
  - Amend the requirement for "businesses to demonstrate a minimum 30% reduction in turnover in their 2020/21 accounts" to "Businesses must demonstrate a *marked reduction* in turnover in their 2020/21 accounts"

## Options

13. The suggested amendments are aimed at increasing take-up of the relief which will provide additional support to businesses in the District, and ensure that the Council is meeting government requirements.
14. Should the amendments be approved, a further application window will launch alongside a direct mailshot to potentially eligible businesses to encourage further applications. In the event that the amendments are not adopted, the second application window will still proceed as set out above in line with the existing policy, but there is a risk that we may not see an increase in applications in respect of this rate relief.

## **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**

Covid-19 Additional Relief Fund Guidance

[COVID-19 Additional Relief Fund \(CARF\): local authority guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/covid-19-additional-relief-fund-carf-local-authority-guidance)

## **Appendices**

Appendix A: Discretionary Business Rate Relief Policy June 2022

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