



AGENDA ITEM: 11

SUMMARY

Report for:	Cabinet
Date of meeting:	10 February 2015
PART:	1
If Part II, reason:	

Title of report:	Discretionary Business Rate Relief Scheme
Contact:	Councillor Nick Tiley, Portfolio Holder for Finance and Resources Chris Baker, Group Manager Revenues Benefits and Fraud
Purpose of report:	To seek approval of revised policies for discretionary business rate relief.
Recommendations	It is recommended that Cabinet: <ol style="list-style-type: none"> 1. Approves the revised discretionary business rate relief policy. 2. Approves the revised additional business rate relief policy.
Corporate objectives:	These reliefs will support the corporate objective of regeneration and economy .
Implications: 'Value For Money Implications'	<u>Financial</u> <ol style="list-style-type: none"> 1. The proposed changes will reduce the administrative burden on affected ratepayers and the Council, and so offer improved value for money. 2. Government has stated that it will meet the full costs of reliefs granted in line with its Autumn Statement 2015 recommendations, and so there is no financial cost to the Council.
Risk Implications	There is a risk of reputational damage if the Council is not seen to be taking action based on these Government recommendations.
Equalities Implications	There are no specific equalities implications arising from the report.

Health And Safety Implications	There are no specific health and safety implications arising from the report
Monitoring Officer/S.151 Officer Comments	<p>Deputy Monitoring Officer:</p> <p>No comments to add to the report</p> <p>S.151 Officer</p> <p>No comments to add to the report.</p>
Consultees:	Appeals Committee (Business Rates)
Background papers:	<p>Business rates retail relief guidance (DCLG)</p> <p>Business rates reoccupation relief guidance (DCLG)</p> <p>Flood support schemes guidance note (HMG)</p> <p>Business rates new build empty property relief guidance (DCLG)</p>
Glossary of acronyms and any other abbreviations used in this report:	<p>DCLG – Department for Communities and Local Government</p> <p>HMG – HM Government</p> <p>LGFA – Local Government Finance Act</p>

BACKGROUND

1. The legislation controlling business rates reliefs is found in the Local Government Finance Act (LGFA) 1988.
2. This Act contains powers enabling billing authorities to introduce discretionary reliefs (in section 47 of LGFA 1988).
3. The cost of reliefs awarded under these discretionary powers is normally borne by the Council.
4. When the Government wishes to make short-term changes to reliefs or discounts, rather than making changes to the national legislation, they will ask billing authorities to create schemes using their discretionary powers.
5. The Government has stated that it will reimburse billing authorities for the full costs of awards made in line with its recommendations.

DISCRETIONARY BUSINESS RATE RELIEF POLICY

6. The current policy was agreed by Cabinet in July 2013 (decision CA/099/13) – one of the key elements was the introduction of fixed term reliefs for one year only.
7. In practice, this means that small local charities need to re-apply each year, although the value of the relief they receive is less than £100.
8. Having learned lessons from administering the policy for just over a year, the following amendments are proposed:

- Extending the maximum length of an award to four years. This will reduce the burden of re-application on local organisations, while retaining a regular review.
- Changes to the thresholds for referral of an initial decision to the Appeals Committee. This should reduce the occasions where the committee is called to make a decision, and therefore speed the decision-making process.

9. The proposed amended scheme is attached as Appendix A.

ADDITIONAL BUSINESS RATE RELIEFS

10. The current policy was agreed by Cabinet in June 2014 (decision CA/073/14) – it now needs to be amended to incorporate the following measures announced by Government in the Autumn Statement 2014:

- Retail relief – increasing the temporary £1,000 discount for shops, pubs and restaurants with rateable values below £50,000 to £1,500 for 2015-16
- Extended transitional relief – to extend in effect the existing transitional relief scheme for two years for properties with a rateable value up to and including £50,000. As a result of this measure, small properties (with a rateable value of less than £18,000) that would otherwise face bill increases above 15% and medium sized properties (with a rateable value of £50,000 or less) that would otherwise face bill increases above 25% will benefit.

11. Full details of the recommended schemes can be found in Appendix B.

12. There are currently about 550 properties which have been awarded retail rate relief. It is estimated that about 30 properties will benefit from the extended transitional relief.

13. It is important to note that the business rate reliefs noted are subject to EU State Aid limits. In practice this is likely to mean that premises occupied by national retailers are unlikely to qualify to receive this help.