

AGENDA ITEM: 10
SUMMARY

Report for:	Cabinet
Date of meeting:	24 June 2014
PART:	1
If Part II, reason:	

Title of report:	Discretionary Business Rate Relief Scheme
Contact:	Cllr Nicholas Tiley, Portfolio Holder for Finance and Resources Chris Baker, Group Manager (Revenues Benefits & Fraud)
Purpose of report:	To propose the adoption of additional discretionary rate relief and council tax discounts as recommended by Government.
Recommendations	It is recommended that Cabinet: <ul style="list-style-type: none"> 1) Approves the additional discretionary business rate reliefs (appendix 1) for: <ul style="list-style-type: none"> a. Retail businesses b. Re-occupation of long-term empty retail premises c. Empty new-build premises d. Premises affected by flooding 2) Approves the additional local council tax discount for domestic properties affected by flooding (appendix 2).
Corporate objectives:	These reliefs and discount will support the corporate objective of regeneration and economy .
Implications:	<u>Financial</u>
'Value For Money Implications'	Government has stated that it will meet the full costs of reliefs and discounts granted in line with its 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 further comments to add to this report.</p> <p>Deputy S.151 Officer</p> <p>No further comments to add.</p>
Consultees:	
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, and that for council tax discounts in LGFA 1992.
2. These Acts also each contain powers enabling billing authorities to introduce discretionary reliefs or discounts. For business rates this is section 47 of LGFA 1988, and for council tax section 13A of LGFA 1992.
3. The cost of reliefs or discounts 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. This is the position for the schemes recommended by this report. The Government has stated that it will reimburse billing authorities for the full costs of awards made in line with its recommendations.

ADDITIONAL BUSINESS RATE RELIEFS AND COUNCIL TAX DISCOUNT

6. Government is recommending these measures for the following reasons:
 - Retail relief – to support town centres, and the retail sector in general, in their response to changing consumer shopping preferences.

- Re-occupation relief – to encourage re-occupation of shops that have been empty for a long period of time and reward businesses that make this happen.
 - New-build empty property relief – to help stimulate construction by reducing the risk of paying empty property rates if a property does not become fully occupied straight away.
 - Flood support relief and discount – to help businesses and residents recover from the adverse weather since 1 December 2013.
7. Full details of the recommended schemes can be found in Appendix 1 for business rate reliefs and Appendix 2 for the council tax discount. In summary, the help offered will be:
- Retail relief – a reduction in business rates payable of up to £1,000 for retail businesses in premises with a rateable value of less than £50,000. This will apply for the years 2014/15 and 2015/16.
 - Re-occupation relief – a reduction in business rates payable of 50% for 18 months for businesses which move into retail premises which have previously been empty for 12 months or more.
 - New-build empty property relief – a reduction in business rates to nil for the first 18 months after a property is built, while it remains empty.
 - Flood support relief and discount – 100% relief from business rates or council tax for 3 months for premises which were affected by flooding between 1 December 2013 and 31 March 2014.
8. It is important to note that all of the business rate reliefs noted are subject to EU State Aid limits. In practice this is likely to mean that retail premises occupied by national retailers are unlikely to qualify to receive this help.