

Report for:	Cabinet
Date of meeting:	12 November 2019
Part:	1
If Part II, reason:	

Title of report:	Update of discretionary rate relief policies
Contact:	Graeme Elliot, Portfolio Holder for Finance & Resources Author/Responsible Officer Nigel Howcutt, Assistant Director (Finance & Resources) Chris Baker, Group Manager (Revenues, Benefits & Fraud)
Purpose of report:	To consider adjustments to the existing discretionary rate relief policy
Recommendations	1) That Cabinet approves the adoption of the updated discretionary rate relief policy (annex A) 2) That Cabinet approves the adoption of the revised Enterprise Zone rate relief policy (annex B)
Corporate Objectives:	These reliefs will support the corporate objectives of Ensuring economic growth and prosperity and Building strong and vibrant communities
Implications:	<u>Financial</u> The changes highlighted in this report are not significant changes to the scheme and would not result in major differences to the rate relief awards granted, and hence is unlikely to have a material financial impact.
'Value For Money Implications'	
Risk Implications	No Significant risks arising.
Community Impact Assessment	A full Community Impact Assessment has not been carried out as these only make minor changes to existing processes.
Health And Safety Implications	There are no health and safety implications arising from this report.

<p>Monitoring Officer/S.151 Officer Comments</p>	<p>Monitoring Officer: No comments to add to the report.</p> <p>Deputy S.151 Officer This is a deputy S151 officer report and hence the comments are included in the body of the report.</p>
<p>Consultees:</p>	<p>Cllr Bassadone, Chair of Appeals committee (business rates) Revenues Team Leader Herts IQ Enterprise Zone Manager</p>
<p>Background papers:</p>	
<p>Glossary of acronyms and any other abbreviations used in this report:</p>	<p>DBC – Dacorum Borough Council DRR – discretionary rate relief EZ – Enterprise Zone LGFA – Local Government Finance Act</p>

1. Background

- 1.1. The legislation controlling business rates reliefs is found in the Local Government Finance Act (LGFA) 1988.
- 1.2. This Act contains powers enabling billing authorities to introduce discretionary rate reliefs (DRR) (in section 47 of LGFA 1988).
- 1.3. The Council's current DRR policy was agreed by Cabinet in January 2018 (item CA/15/18).
- 1.4. The Council's current Enterprise Zone (EZ) rate relief policy was agreed by Cabinet in July 2018 (item CA/85/18).

2. DRR policy

- 2.1. The Council's DRR policy provides information about when additional rate relief will be awarded to organisations which already qualify for mandatory 80% charitable rate relief.
- 2.2. It is proposed that the existing policy wording is amended to enable DRR to be granted to organisations with paid employees. This condition currently reads:

If the work is carried out for the benefit of the elderly, sick or injured, disabled or other vulnerable groups. Paid workers are only used to provide specialised care.

(This excludes national or regional offices unless wholly for the benefit of Dacorum residents)

- 2.3. In order to address this, it is proposed to amend the paid worker condition to the following:

If the work is carried out for the benefit of the elderly, sick or injured, disabled or other vulnerable groups. Where paid workers are used for any purpose other than to provide specialised care, the organisation will provide the Council with information about why this is required. (This excludes national or regional offices unless wholly for the benefit of Dacorum residents)

- 2.4. This will provide additional flexibility to support third sector organisations which are unable to provide their services entirely through volunteer staff, while also providing assurance that there is a requirement for paid workers.

3. Enterprise Zone rate relief policy

- 3.1. Following the adoption of the current EZ rate relief policy in July 2018, there has so far been one applicant for this relief. A ratepayer can receive EZ relief for a maximum period of five years, but the current policy requires a renewal application every year.
- 3.2. As more businesses move into the area covered by the Herts IQ Enterprise Zone, the number of applications is expected to increase, and so the Enterprise Zone Manager has been reviewing the policy with a view to reducing the administrative burden for businesses by instead only requiring

one renewal. There would therefore be two awards made, the first for three years, with the second for the remaining two years.

- 3.3. The same policy amendment will also be adopted by St Albans City and District Council in respect of the parts of the Herts IQ EZ that falls within its responsibility.

4. Recommendations

- 4.1. That Cabinet approves the adoption of the updated discretionary rate relief policy (annex A).
- 4.2. That Cabinet approves the adoption of the updated Enterprise Zone rate relief policy (annex B).