

BRECKLAND DISTRICT COUNCIL

Report of: Cllr Paul Claussen, Executive Member Place

To: Cabinet 11 July 2017
Full Council 27 July 2017

Author: Jo Andrews, Strategic Revenues Manager, Anglia Revenues Partnership

Subject: Non-Domestic Rates - Discretionary rate Relief

Purpose: To approve guidelines for granting discretionary rate relief for businesses with large increases in their rates bills as a result of the revaluation.

Recommendation(s):

- 1) That members approve guidelines to award relief to local businesses with a rateable value under £200,000 and an increase resulting from the 2017 revaluation above 11%.
- 2) That the Section 151 Officer in conjunction with the Leader is given delegated power to finalise the scheme and to determine the Rateable value cap and percentage each year.

1.0 BACKGROUND

- 1.1 At the Budget on 8 March, the Chancellor announced that the Government would make available a discretionary fund of £300 million over four years from 2017-18 to support those businesses that face the steepest increases in their business rates bills as a result of the revaluation. The Government believes that local government is best placed to determine how this fund should be targeted and administered to support those businesses and locations within their area that are in the greatest need.
- 1.2 Every billing authority in England has been provided with a share of the £300 million to support their local businesses. This will be administered through billing authorities' discretionary relief powers under section 47 of the Local Government Act 1988.
- 1.3 The Government has allocated the £300m of available funding to each billing authority, based on certain assumptions. The Government stated that Local authorities may wish to apply the same rules in our allocations. Funding was allocated on the basis of how many properties in the Local Authority area with a rateable value under £200,000 were subject to increases of more than 12.5% before other reliefs
- 1.4 The appendix to the Government consultation document shows our allocations of the discretionary pot for the MTFs period as follows:

	2017/18 (£000s)	2018/19 (£000s)	2019/20 (£000s)	2020/21 (£000s)
Breckland	322	156	64	9

This is the maximum amount of discretionary relief that billing authorities can award for which they and major precepting authorities will be compensated through section 31 grant. (So, for example, if Breckland awards £100k in total to its ratepayers, it will get £40k back in section 31 grant, NCC will get £10k and the Government will bear the other £50k)

- 1.5 The Government have not yet made it clear whether Authorities will have the power to carry forward unused funds to the next financial year.
- 1.6 Breckland Council have consulted with Norfolk County Council on the design of their scheme as this was a requirement of the Governments consultation paper and a consultation process with businesses is also underway.
- 1.7 Once the 100% rates retention system is introduced everywhere with effect from 2019-20, authorities will see their income reduced by the entire value of the relief given. For any year, the funding arrangements will ensure that all authorities are compensated for the loss of income they incur capped to their allocation by means of grant payments under section 31 of the Local Government Act 2003, or transfer payments between Authorities
- 1.8 Those business who have been identified as potential recipients of this relief will be contacted directly and invited to complete a state aid declaration and confirm any other appropriate details. The scheme will also be published on-line to ensure that the business community is aware of the relief available.

2.0 **OPTIONS**

The Government have made it clear that funding for this discretionary relief is to be used to help those facing the steepest increases as a result of the revaluation.

In accordance with legislation relief cannot be granted to precepting authorities.

The suggested discretionary relief guidelines from 1 April 2017, detailed in Appendix 1 sets out the criteria to be taken into consideration in deciding whether relief should be given, the procedure for applications and an appeals process where there has been a refusal to grant relief.

As limited funding is available the Council has modelled the cost of allowing relief broadly in line with The Governments approach with two options:-

- 1) The Rateable Value of the property is less than £200,000 and the increase is capped at 12.5%
- 2) The Rateable Value of the property is less than £200,000 and the increase is capped at 11% with relief being restricted to local businesses.

The recipients of this discretionary award will be businesses facing the steepest increases in their business rates bills as a result of the 2017 Business rates Revaluation.

The cost of allowing relief can only be modelled on a yearly basis and therefore Cabinet is also requested to delegate the power to set the % increase and rateable value cap each year to the Section 151 Officer.

3.0 REASONS FOR RECOMMENDATION(S)

The introduction of these guidelines has sought to provide more information and clarity concerning the organisations that will benefit and the criteria used to determine relief. They also ensure that only those businesses with a rateable value under £200,000 impacted by the revaluation, receive relief.

By restricting relief to local businesses the Council can afford to provide relief to those who have had increases of more than 11%. Also it will leave a contingency of approximately £28K in the fund whilst allowing us to help more businesses.

As the amount of funding reduces each year the Section 151 Officer can adjust the amount of relief according to the funding available.

4.0 EXPECTED BENEFITS

This funding allows Breckland to provide support to businesses who are facing large increases in their rate bills because of the revaluation. This relief will help support the business community and local economy.

5.0 IMPLICATIONS

In preparing this report, the report author has considered the likely implications of the decision - particularly in terms of Carbon Footprint / Environmental Issues; Constitutional & Legal; Contracts; Corporate Priorities; Crime & Disorder; Equality & Diversity/Human Rights; Financial; Health & Wellbeing; Reputation; Risk Management; Safeguarding; Staffing; Stakeholders/Consultation/Timescales; Transformation Programme; Other. Where the report author considers that there may be implications under one or more of these headings, these are identified below.

5.1 Financial

5.1.1 Funding is available from Central Government. These guidelines will ensure that spending is within the funding limit.

6.0 WARDS/COMMUNITIES AFFECTED

6.1 [This will benefit businesses across the District](#)

Background papers:-

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Key Decision: Yes
Exempt Decision: No

This report refers to a Mandatory Service

Appendices attached to this report: (list appendices below or delete)

Appendix 1

Discretionary Relief Guidelines