

MEETING BEING SUBMITTED TO: CABINET 18 October 2017

1. **HEADING** **Discretionary Rate Relief Scheme**
- Submitted by:** **Revenues Manager**
- Portfolio:** **Finance ICT and Customer**
- Ward(s) affected:** **All**

Purpose of the Report

To approve a scheme for the granting of Discretionary Rate Relief following the 2017 National Non Domestic Rates Revaluation.

Recommendations

That the Discretionary Rate Relief scheme in Appendix A of this report be approved and that the Executive Director (Resources and Support Services) be granted delegated powers to grant the relief to individual businesses.

Reasons

To enable the Borough Council to fulfil its obligations to award relief to those businesses detrimentally affected by the 2017 revaluation.

1. **Background**

In the last budget the Chancellor announced that the government would make several changes to the reliefs available to National Non Domestic properties in certain categories and to help those adversely affected by the national revaluation of National Non Domestic Rates from 1 April 2017. Guidance on the administration of these schemes was issued on 16 May 2017 with the software to implement them becoming available in late August 2017.

The Department for Communities and Local Government (DCLG) have identified three new relief schemes for local authorities to implement:

Supporting Pubs

Pubs with a rateable value under £100,000 would be awarded a one off reduction of £1,000 for the 2017/18 financial year (reduced if the net rates payable were less than this amount). This has been implemented with 39 properties benefiting from this relief.

Supporting Small Business Relief

The rates payable by those businesses receiving Small Business Rates Relief in 2016/17 has been restricted to £600 in 2017/18 (with caps on increases also set for the next 4 years). This has also been implemented with 17 properties qualifying for assistance.

Discretionary Rate Relief

The government have made available a discretionary fund of £300 million nationally to support those businesses most affected by the recent National Non Domestic Rates revaluation.

The distribution will be made to local authorities based on those properties under £250,000 rateable value which have an increase of over 12.5% in their rateable value and will be distributed over 4 years. Under this distribution the Borough of Newcastle under Lyme has been allocated a total of £468,000. This will be paid as follows:

2017/18 - £273,000

2018/19 - £132,000

2019/20 - £55,000

2020/21 - £8,000

Any monies not allocated within the year cannot be vired forward and must be returned.

2. **Issues**

It is necessary to establish a local scheme to enable the distribution of the discretionary fund. This scheme is not defined and it is up to individual local authorities to create a suitable scheme dependant on their individual demographic. Additionally it is necessary to consult on the scheme with precepting authorities. (Staffordshire County Council, The Office of the Police and Crime Commissioner Staffordshire and Stoke on Trent and Staffordshire Fire and Rescue Service).

3. **Options Considered**

It is a requirement that a scheme be created. It is considered advisable to implement a similar, although not identical, scheme to other nearby authorities to prevent issues of a postcode lottery and a situation where the relief is granted to the same organisation by some authorities and not others and as such discussions have taken place with other authorities in Staffordshire to agree on the broad principles of a scheme, notwithstanding that each authority has been allocated different funding.

4. **Proposal**

That the outline discretionary relief scheme set out in the attached appendix be approved.

5. **Reasons for Preferred Solution**

The proposed scheme aims to use the funds allocated to assist smaller and more local businesses in coping with a considerable increase in the National Non Domestic Rates payable following the revaluation.

6. **Outcomes Linked to Corporate Priorities**

Granting discretionary relief where appropriate fits well with the Council's corporate priorities of Creating a Cleaner, Safer and Sustainable Borough, Creating a Borough of Opportunity and Creating a Healthy and Active Community.

7. **Legal and Statutory Implications**

The Council is able to award discretionary relief on business rates under Section 47 of the Local Government Finance Act 1988.

8. **Equality Impact Assessment**

The subject of this report is not a policy, strategy, function or service that is new or being revised. Therefore, an equality impact assessment is not required.

9. **Financial and Resource Implications**

There are no direct financial implications to the Council as the reliefs are funded 100% by central government. The Council has received £12,000 in new burdens funding to cover the administration costs and software enhancements required by these schemes.

10. **Major Risks**

Any monies not distributed in the relevant year cannot be carried forward and must be returned. Failure to allocate this money may lead to undue financial pressures being placed upon businesses risking their ability to continue with their activities. This could lead to the potential loss of businesses and jobs in the wider community.

11. **Key Decision Information**

Not applicable

12. **Earlier Cabinet/Committee Resolutions**

Not applicable

13. **Recommendations**

That the Discretionary Rate Relief scheme in Appendix A of this report be approved and that the Executive Director (Resources and Support Services) be granted delegated powers to grant the relief to individual businesses.

14. **List of Appendices**

Discretionary Rate Relief Scheme

15. **Background Papers**

Not applicable