

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE
CABINET**

Date 7th June 2022

Report Title: Discretionary Rate Relief Policy

Submitted by: Head of Finance & Section 151 Officer – Sarah Wilkes

Portfolio: Finance, Town Centres & Growth

Ward(s) affected: All

Purpose of the Report

To approve the updated Discretionary Rate Relief Policy in respect of National Non-Domestic Rates (NNDR) i.e. business rates.

Recommendations

That Cabinet approves the attached Discretionary Rate Relief Policy.

Reasons

The Policy has been updated to ensure a structured scoring mechanism to ensure fair and consistent decision making and control of the Council's finances with governance in place.

1. Background

1.1 The Local Government Act 1988 and the Localism Act 2011 provides the legislation supporting the award of discretionary rate relief. Discretionary rate relief has previously been awarded based on criteria which has been used for many years but the council has never adopted a formal scoring mechanism to ensure consistency in decision making.

2. Issues

2.1 The National Non-Domestic Rating Scheme gives the council discretionary powers to award relief from payment of NNDR in a range of circumstances. Administrative arrangements of NNDR, including the way rate relief is funded, requires guidance on the application of discretionary powers being necessary.

2.2 The previous policy was adopted in 2016 and did not give clear guidance on how the award was decided, nor give an indication on how much relief should be granted. Decisions were often based on historical information.

2.3 The new policy has been devised in conjunction with a scoring matrix, that awards points based on answers given on the application form. This new scoring matrix then determines the amount of discretionary relief that can be awarded ensuring all applications are treated equally and awards given consistent with like for like businesses.

2.4 The Policy includes relief in the following categories:

Classification: NULBC **UNCLASSIFIED**

- a. Discretionary Rate Relief (Charities and Non Profit Organisations)
- b. Discretionary Rural Rate Relief
- c. Partly Occupied Properties Relief
- d. Hardship Relief
- e. Relief under the Localism Act

3. **Proposal**

3.1 That the enclosed policy be approved.

4. **Reasons for Preferred Solution**

4.1 To ensure that all business ratepayers are treated fairly and consistently.

5. **Options Considered**

5.1 *The only other option is not to have a policy.* However, the Council could be challenged regarding the basis on which the decision is made and the absence of a policy may leave the Council open to criticism from the Local Government Ombudsman.

6. **Legal and Statutory Implications**

6.1 The policy explains the discretions granted by the Local Government Finance Act 1998 and the Localism Act 2011.

7. **Equality Impact Assessment**

7.1 The policy seeks to ensure that all ratepayers are treated equally, fairly and consistently.

8. **Financial and Resource Implications**

8.1 As part of the central government funding process for local authorities the business rates pooling arrangements that have been in place since 1 April 2013, the Council retains 40% of any business rates income received, conversely, the Council's income is reduced by 40% for any reductions in business rates awarded such as discretionary rate relief (the 40% share is subject to levy payments if the business rates baseline funding is exceeded).

8.2 An allowance is made via the NNDR1 return for discretionary relief totalling £25,746 to be awarded during 2022/23, the Council's share of this amounts to £10,298 and is included within the Business Rates Retention funding envelope budgeted for in 2022/23.

9. **Major Risks**

9.1 Failure to adopt a formal policy could lead to challenge from the Local Government Ombudsman.

10. **UN Sustainable Development Goals (UNSDG)**

10.1 In considering the policy the following UN sustainable development goals will be considered:



11. **Key Decision Information**

11.1 This is a key decision as defined in the Council's Constitution. The item is included in the Cabinet's Forward Plan for the period in which the meeting is to take place.

12. **Earlier Cabinet/Committee Resolutions**

12.1 None.

13. **List of Appendices**

13.1 National Non Domestic Rates (NNDR) Discretionary Rate Relief Policy - Rate Relief for Businesses.

14. **Background Papers**

14.1 None.