

Allerdale Borough Council

Executive – 8 November 2017

Local Discretionary Rate Relief Scheme 2017-2021

The Reason for the Decision	To seek approval for the Local Discretionary Rate Relief Scheme 2017-2021.
Summary of options considered	N/A
Recommendations	<ol style="list-style-type: none">1. That the local discretionary rate relief be approved.2. That delegation of responsibility to award targeted support in Year 4 of the scheme to the Customer Operations Manager/Customer Accounts Manager as outlined in the report.
Financial / Resource Implications	None directly relating to this report as the scheme will be funded by DCLG.
Legal / Governance Implications	The billing authority has responsibility for developing a scheme to provide assistance to businesses who have experienced large increases in business rates.
Community Safety Implications	None
Health and Safety and Risk Management Implications	None
Equality Duty considered / Impact Assessment completed	None
Wards Affected	All
The contribution this decision would make to the Council's priorities	Assisting and supporting businesses Encouraging business growth
Is this a Key Decision	Yes
Portfolio Holder	Councillor Konrad Hansen

Lead Officer

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Report Implications

Community Safety	N	Financial	Y
Legal	Y	Partnership	N
Social Inclusion	N	Asset Management	N
Equality Duty	N	Health and Safety	N
Employment (internal)	N	Employment (external to the Council)	Y

BUSINESS RATES**LOCAL DISCRETIONARY RATE RELIEF SCHEME 2017-2021****1. Introduction**

- 1.1 To approve a local discretionary rate relief scheme utilising Government support announced in the Spring Budget 2017 to assist those businesses seeing the largest increases following the recent revaluation of business rateable values which took effect from 1 April 2017; and
- 1.2 To approve delegation of responsibility to award targeted support in Year 4 of the scheme to the Customer Operations Manager/Customer Accounts Manager as outlined in the report.

2. Background

- 2.1 In April 2017, as part of a national business rates revaluation, a new rating list came into effect, complete with changes to small business rate relief and transitional relief schemes.
- 2.2 In response to concerns about the potential impact on businesses facing significant increases, the Government announced a number of initiatives in the Spring Budget 2017 to further mitigate the impact on businesses including:
- 2.2.1 Up to £1,000 relief for public houses with an RV of less than £100,000.
- 2.2.2 A cap of £600.00 increases for businesses losing Small Business Rate Relief or Rural Rates Relief.
- 2.2.3 A national £300m discretionary rate relief fund over the next 4 years which would be subject to public consultation.

- 2.3 The Government has stated that Councils are best placed to judge the particular circumstances of local business rate payers and direct discretionary rate relief funding to where it is most needed to support local economies.
- 2.4 All billing authorities must develop their own local discretionary rate scheme with a requirement to consult with other recipients of business rate income (in our case with Cumbria County Council).
- 2.5 For the avoidance of doubt, under the consultation guidelines, discretionary relief or local newspaper relief must be awarded before the application of the local discretionary rate relief scheme.

3. Preferred Option

3.1 The national amounts have been allocated to each billing authority based on the total increase in business rate bills (excluding the impact of transitional relief and other reliefs), for every business rateable property in the Council's area that satisfies both of the following conditions:

- The property has a RV for 2017/18 that is less than £200,000.
- The increase in the property's 2017/18 bill is more than 12.5% compared to the 2016/17 bill (before reliefs).

3.2 Based on these criteria, Allerdale Borough Council as billing authority has been allocated £611,000 over the 4 years as follows:

Discretionary Relief

2017/18 £356,000

2018/19 £173,000

2019/20 £71,000

2020/21 £10,000

- 3.3 It is proposed awards of local discretionary rate relief in the Council's scheme should be based on the following principles:
- 3.3.1 Awards are time limited for 12 months and the amount of relief may be varied in the year following a change in circumstances.
- 3.3.2 Awards take into consideration any other reliefs (e.g. transitional relief, mandatory and other discretionary relief, pubs and newspaper relief) and are based on amounts payable after those reliefs.
- 3.3.3 Awards do not breach EU state aid limits.
- 3.3.4 Awards support the businesses most affected by the revaluation.

3.3.5 Total awards are limited by the Council's allocation.

3.3.6 No awards will be made in respect of the first:

- £200 of increase in relation to Small businesses (rateable value up to and including £20,000).
- £300 of increase in relation to medium or large businesses (rateable value above £20,000).

3.3.7 The maximum award will be capped at £3000 in financial year 2017/2018.

3.3.8 Where there is a change in occupancy, the award will terminate and be recalculated based upon a pro rata basis.

3.3.9 Relief in 2017/2018 will be applied at the rate of 60% of the eligible increase in charge from 31 March 2017 to 1 April 2017. Maximum award of £3000.00. No application required.

3.3.10 Relief in 2018/2019 will be applied at the rate of 50% of the relief granted in 2017/18. No application required.

3.3.11 Relief in 2019/2020 will be applied at the rate of 20% of the relief granted in 2017/18. No application required.

3.3.12 Relief in 2020/2021 will be determined based upon individual applications. All decisions to be delegated to Customer Operations Manager/Customer Accounts Manager.

3.3.13 De-minimus rule. Where the above calculations would result in an award of less than £10, the award will be rounded up to £10.

3.4 It is proposed the following properties and organisations would not be classed as qualifying properties and therefore excluded from entitlement to a local discretionary rate relief scheme:

3.4.1 Properties with a RV of more than £200,000 which is consistent with the Government basis of allocation to billing authorities but also including these businesses is more likely to result in State Aid issues.

3.4.2 Empty properties and properties that have benefited from empty property relief in the last 3 months (or 6 months in the case of industrial property) on 1 April 2017.

3.4.3 Properties that are in receipt of the 80% mandatory relief.

- 3.4.4 Properties who have not had an increase in their bill (following the application of all relevant reliefs).
- 3.4.5 Public sector funded bodies. This will include (but not limited to) town, parish, district and county council properties including schools and academies; colleges and Universities; police and fire properties; NHS properties including GP surgeries, and Government properties.

4. Recommendations

- 4.1 That the local discretionary rate relief be approved.
- 4.2 That delegation of responsibility to award targeted support in Year 4 of the scheme to the Customer Operations Manager/Customer Accounts Manager as outlined in the report.

Paul Wood
Head of Customer, Transformation and Commissioning