



Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	CABINET – 2ND SEPTEMBER 2019
Report Number	AGENDA ITEM (10)
Subject	2019/20 BUSINESS RATES REVALUATION DISCRETIONARY RATE RELIEF SCHEME
Wards affected	Various
Accountable member	Councillor Mike Every, Deputy Leader of the Council and Cabinet Member for Finance Email: mike.every@cotswold.gov.uk
Accountable officer	Jon Dearing Group Manager for Resident Services Tel: 01285 623304 Email: jon.dearing@pubicagroup.uk
Summary/Purpose	To approve an updated discretionary rate relief scheme for 2019/20 under Section 47 of the Local Government Act 1988.
Annexes	Annex 'A' - Scheme Rules
Recommendation/s	<i>a) That the updated discretionary rate relief scheme for the 2019/20 financial year be approved, with relief being awarded at 7.5% of the increase over £1,800 since 31st March 2017 (as detailed in this report);</i> <i>b) that the Group Manager for Resident Services be given delegated authority to award discretionary rate relief under the updated scheme</i>
Corporate priorities	The Corporate Plan is in preparation.
Key Decision	No
Exempt	No
Consultees/ Consultation	Billing Authorities.

1. BACKGROUND

- 1.1** As a result of the revaluation of all business premises and changes to levels of some mandatory reliefs in 2017, the Government announced some new reliefs, and changes to some existing mandatory reliefs, which it expected billing authorities to award using their discretionary powers.
- 1.2** As part of the Budget on 8th March 2017, the Chancellor announced three measures to assist businesses facing increases in rates as a result of the revaluation, all of which were to be implemented using existing relief powers under Section 47 of the Local Government Finance Act 1988:-
- 1.2.1** a £1,000 discount for qualifying public houses with rateable values under £100,000.
- 1.2.2** a scheme to cap increases for small businesses that will lose some or all of their Small Business Rate Relief or Rural Rate Relief.
- 1.2.3** a discretionary fund of £300m to be established nationally, payable over four years, to enable billing authorities to support those facing the steepest increases in their business rates.
- 1.3** At its Meeting on 20th April 2017, the Cabinet approved changes to its discretionary rate relief policy to reflect the above, with applications under items (i) and (ii) being delegated to Officers. Awards under item (iii) were applied automatically in line with the parameters agreed by the Cabinet.
- 1.4** The scheme to grant £1,000 discount for qualifying public houses has now ended. The scheme to cap increases for small businesses (item (ii) above) remains in place, and applications will continue to be determined by Officers.
- 1.5** The billing authorities have reviewed the scheme/qualifying criteria, and an updated scheme is attached at Appendix 'A' for Members' consideration and approval.
- 1.6** The Council will be compensated for lost Business Rates caused by the award of reliefs, by way of a grant payment from the Government. This grant payment allows reliefs of up to £74,000 to be awarded during the financial year (2019/20) in respect of applications under item (iii) above. Against this background, it is recommended that such relief awards be set at 7.5% of the increase over £1,800 since 31st March 2018. If this was applied, total awards would amount to £73,193.

2. FINANCIAL IMPLICATIONS

- 2.1** The reliefs should be fully funded by the Government so, unless relief awards exceed the limit of £74,000 for 2019/20 imposed by the Government, there will be no impact on the level of Business Rates income. Therefore, the impact on Council Tax Payers should be neutral.
- 2.2** Officers have carried out an exercise to identify businesses which may qualify for relief. The criteria for the recommended scheme are contained in Appendix 'A' but, in summary, the ratepayer must have faced an increase of in excess of £1,800 from 31st March 2017.
- 2.3** To minimise administration costs, it is proposed that no application process is undertaken; awards will be made in line with the adopted scheme and notice of the award places the onus on the business to contact the Council within 28 days if they believe they do not qualify under State Aid rules.
- 2.4** Awarding relief of 7.5% of the increase over £1,800 since 31st March 2017 will result in awards totalling £73,193.

3. LEGAL IMPLICATIONS

The scheme complies with legislation.

4. RISK ASSESSMENT

The key risks associated with this scheme relate to ensuring that all eligible businesses are awarded relief.

5. EQUALITIES IMPACT (IF REQUIRED)

No effect on protected groups identified

6. CLIMATE CHANGE IMPLICATIONS (IF REQUIRED)

Not applicable.

ALTERNATIVE OPTIONS

In reviewing the scheme the Billing Authorities evaluated the most effective option to put forward for consideration including qualifying criteria.

BACKGROUND PAPERS

None