

# **Executive Committee**

## **14 March 2017**

### **Rates Relief**

#### **For Decision**

#### **Portfolio Holder(s)**

Cllr P Barrowcliff

#### **Senior Leadership Team Contact:**

Jason Vaughan, Strategic Director

#### **Report Author:**

S Dawson, Head of Revenues and Benefits

#### **Statutory Authority**

Local Government Finance Act 1988 (as amended)

#### **Purpose of Report**

- 1 For Committee to agree to award 100% rural rate relief to eligible ratepayers
- 2 For Committee to agree to award a discount (of up to a maximum of £1,500 per year) in respect of qualifying local newspapers.

#### **Officer Recommendations**

- 3 That Committee agrees to use its powers under the Local Government Finance Act 1988 to award rates relief as follows:
  - I. That 50% discretionary rate relief be awarded to those ratepayers who are eligible to receive 50% mandatory rural rate relief from 1 April 2017
  - II. That relief of up to a maximum of £1,500 a year, be awarded from 1 April 2017 for 2 years to office space occupied by local newspapers. The relief is to be awarded as follows:
    - That a maximum of one discount be awarded per local newspaper title and per hereditament, for two years from 1 April 2017 (subject to state aid limits)
    - That the hereditament must be occupied by a local newspaper and wholly or mainly used as office premises for journalists and reporters
    - For the purpose of awarding the discount, the definition of “local newspaper” be considered to be a “traditional local newspaper” and that relief will not be available to magazines.

## Reasons for Recommendation

- 4 To ensure proper administration arrangements for the awarding of Rates Relief.

## Background and Reason Decision Needed

- 5 Committee will be aware that the rural rate relief scheme was introduced to help protect the last retail outlets and similar services in rural settlements with a population of less than 3,000.
- 6 Under the scheme, the following businesses in designated rural settlements are entitled to 50% mandatory rate relief:
  - The sole village shop or post office with a rateable value of up to £8,500
  - The sole public house or petrol station with a rateable value of up to £12,500
- 7 Councils have the discretion to top up the rural rate relief up to 100% of the rates due. As part of its review of the rates relief guidelines in 2015, Committee acknowledged that rural businesses can play an essential role in village life and agreed that discretionary rate relief be considered where:
  - The applicant can demonstrate that it is having a significant contribution towards the community; and
  - It is in the interests of the local Council Taxpayer to award the relief; and
  - The accounts for the business show that it would experience significant difficulties continuing trading if the relief was not awarded.
- 8 In his Autumn Statement on 23 November 2016, the Chancellor of the Exchequer confirmed that mandatory rural rate relief would increase from 50% to 100%, effective from 1 April 2017. As it will not be possible to amend the primary legislation before 1 April 2017, Government has asked Councils to use their powers, under the Local Government Finance Act 1988 (as amended), to award a top up of 50% discretionary rate relief to qualifying ratepayers for the financial year 2017/18. Government has agreed to reimburse Councils for the actual cost in awarding the additional relief.
- 9 The Chancellor of the Exchequer also announced that Government is committed to supporting a strong and vibrant local press. With this in mind, Government has asked Councils to use their powers, under the Local Government Finance Act 1988 (as amended), to award relief of up to £1,500 for 2 years from 1 April 2017, for office space occupied by local newspapers. The relief is to be awarded up to a maximum of one discount per local newspaper title and per hereditament (i.e. rating assessment), and up to state aid limits. Government has agreed to reimburse Councils for the actual costs in awarding the relief.

## **Implications**

### **Footnote**

Issues relating to financial, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

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