

Management Committee

6 June 2017

Rates Relief

For Decision

Portfolio Holder(s)

Finance & Assets

Senior Leadership Team Contact:

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Statutory Authority

Local Government Finance Act 1988

Purpose of Report

- 1 For Committee to agree the awarding of rate relief where government has confirmed that it will fully meet all costs.

Recommendations

- 2 That Committee agrees that where, in future, government has confirmed that it will fully fund (via section 31 grant) rate relief awarded under Section 47 of the Local Government Finance Act 1988, the Council will automatically award relief based upon the criteria of that scheme.
- 3 That Officers should look to develop a county-wide scheme and that this be reported back to Committee for approval.

Reason for Decision

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

Background and Reason Decision Needed

- 4 Government is concerned that some businesses may be faced with large increases in their rates bills as a result of the 2017 revaluation. To help provide such businesses with a level of support, the Chancellor announced the following rate relief schemes in his spring budget.
 - I. Additional support for small businesses who are faced with large increases as a result of them losing some or all of their rural rate

- relief or small business rate relief. Qualifying businesses would see their annual increase limited to £600 or the matching cap on increases for small properties in the transitional relief scheme (whichever is the greater)
- II. A discount of £1,000 on the 2017/18 bills for those pubs that have a rateable value of less than £100,000
 - III. The establishment of a national £300m discretionary fund to support the most hard-pressed businesses.
- 5 Government decided that it did not want to change legislation to allow for these schemes but asked that Councils use their discretionary powers under section 47 of the Local Government Finance Act 1988 to make awards to qualifying ratepayers.
 - 6 In the case of the schemes mentioned in i) and ii) above, Councils would be reimbursed via a section 31 grant. In the case of the scheme mentioned in iii) above, Councils will be expected to use their share of the £300m funding to support businesses over four years from 2017-18. The Council's share of this funding is £179,000 in 2017/18; £87,000 in 2018/19; £36,000 in 2019/20 and £5,000 in 2020/21.
 - 7 Government indicated that it would provide additional guidance in relation to the schemes. However, following the decision to hold a general election on 8 June 2017, it is likely that in the case of schemes i) and ii) above the guidance will be delayed until a new government is formed. It is anticipated that following the release of such guidance, government will expect Councils to deliver the schemes promptly. With this in mind, it is proposed that Committee agrees that where, in future, government has confirmed that it will fully fund (via section 31 grant) rate relief awarded under Section 47 of the Local Government Finance Act 1988, the Council will automatically award relief based upon the criteria of that scheme.
 - 8 Notwithstanding any decision in relation to the guidance for schemes i) and ii) above, government has announced that it intends to proceed with the discretionary fund. As that scheme is required to be developed in collaboration with other authorities operating within the area, it makes sense for Officers to investigate the possibilities of a county-wide scheme. It is proposed that a further report be brought to Committee for approval once the proposed scheme has been developed.

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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