

Management Committee

6 March 2018

Business Rates Relief

For Decision

Briefholder(s)

Cllr J Cant – Finance & Assets

Senior Leadership Team Contact:

J Vaughan, Strategic Director

Report Author:

S Dawson, Head of Revenues & Benefits

Statutory Authority

Local Government Finance Act 1988

Purpose of Report

- 1 For Committee to agree a discretionary rate relief scheme for 2018/19 which looks to provide help to those local businesses which have been faced with large rate bills as a result of the 2017 revaluation.

Recommendations

- 2 That Committee agrees to adopt the Business Rates Revaluation Support Scheme set out at Appendix 1.
- 3 That Committee agrees that any under spend in 2018/19 be used to provide additional support for struggling businesses and that approval of such cases be delegated to the Head of Revenues & Benefits in consultation with the Finance & Assets Briefholder.
- 4 That Committee agrees that a further report is submitted later in the year recommending a scheme for 2019/20.

Reason for Decision

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

Background and Reason Decision Needed

- 6 Government has provided funding of £300m to enable councils to support those businesses which have been faced with significant rates increases as a result of the 2017 revaluation. 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. Government has announced that any underspend in funding in a year would not be allowed to be carried forward to a following year.

- 7 At its meeting on 19 September 2017, Committee agreed a Rate Relief Scheme for 2017/18 and requested that a report be brought later in the year recommending a scheme for 2018/19.
- 8 In developing the proposed scheme for this Council, officers have had regard to the following principles established by the Federation of Small Businesses (FSB).
 - I. Committing to focusing the funding on micro and small businesses, particularly those hardest hit by the revaluation.
 - II. Committing to ensuring that funds are distributed as soon as possible and automatically refunding any firm which overpays their business rates
 - III. Committing to a communications campaign to make sure that all affected firms know how they can benefit from the discretionary funds you provide, and proactively approach businesses most in need
 - IV. Committing to making any application process for funds as simple and straightforward as possible, so it is inclusive for the smallest firms in our area, and attaches no conditions aside from the size of a firm and how that firm is disadvantaged by the revaluation.
- 9 The scheme agreed for 2017/18 looks to limit the maximum rates increase to 7.5% for those local businesses which have a rateable value of less than £200,000. The proposed scheme for 2018/19 would award the same level of relief (in monetary terms) to those businesses that qualified under the 2017/18 scheme. This would benefit 73 identified businesses by an average of £493.49 each and would look to use £36,000 of the £87,000 funding available in 2018/19. It is also proposed that the remaining £51,000 funding be held in reserve as a contingency for any other ratepayers coming forward and mitigate against the risk of a potential overspend.
- 10 Relief awarded under the scheme will be subject to State Aid rules. Recipients will be made aware of their responsibility to notify the Council if their business has received State Aid of more than €200,000 over the last three years.
- 12 There is a possibility that there will be an under spend of grant due to recipient businesses relocating during the year. With this in mind it is proposed that the situation be monitored regularly and that any identified underspend of grant be used to provide additional support to those businesses which are struggling to meet their increased rates liability. This additional support would be considered on a case by case basis and determined by the Head of Revenues & Benefits in consultation with the Finance & Assets Briefholder.
- 13 As it is not possible to accurately predict future years' spend on this relief, it is also proposed that a review be undertaken later in 2018/19 and a

report be brought to Council proposing a scheme for 2019/20, which would look to fully utilise the funding awarded in that year.

Implications

Appendices

Appendix 1: Business Rates Relief Scheme 2018/19

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.

Report Author: Stuart Dawson

Telephone: 01305 211925

Email: s.c.dawson@westwey.gov.uk

Date: