

CABINET

3 April 2014

REPORT OF THE PORTFOLIO HOLDER OPERATIONS AND ASSETS

MANDATORY AND DISCRETIONARY RATE RELIEF POLICY

PURPOSE

To seek Cabinet approval of the proposed Mandatory and Discretionary Rate Relief Policy with effect from 1 April 2014.

RECOMMENDATIONS

That Cabinet approves the Mandatory and Discretionary Rate Relief Policy which will come into effect from 1 April 2014.

EXECUTIVE SUMMARY

There has been a need following recent revisions to rating legislation and the Business Rate Retention scheme to review the Councils approach to both mandatory and discretionary rate relief awards to Business Ratepayers ('ratepayers'). The current framework, which has served the Council well, expired as at 31 March 2014.

The proposed framework continues the key principles of the previous policy in the support of local non-profit organisations. The key changes are:

- Applications should now be submitted on an annual basis (previously every 3 years).
- Incorporation of Section 47 of the Local Government Finance Act 1988 allows the Council to grant Discretionary Rate Relief in any circumstances where it feels fit having regard to the effect on the Council Tax payers of its area.
- The granting, varying, reviewing and revocation of Discretionary Relief is the responsibility of the S151 Officer, in conjunction with the Portfolio Holder for Operations and Assets, who in turn delegates this to the Head of Revenues (previously approved by Cabinet).

There will be an annual update to Cabinet on the amount of Discretionary Rate Relief granted - included in the Business Rates Income Forecast report.

RESOURCE IMPLICATIONS

The cost of all Business Rate reliefs are shared between the Council, the County Council, the Fire and Rescue Authority and Central Government in line with the respective retained shares:

50% Central Government

40% Borough Council

9% County Council

1% Fire & Rescue Authority

The Council's 40% share will apply to all reliefs awarded relating to rate liabilities from 1st April 2013 onwards and for any backdated reliefs awarded from 1st April 2013 in respect of earlier liabilities.

The cost of providing Discretionary Relief to existing claimants, in accordance with this policy, following the introduction of the new Business Rates Regime is expected to be within the limits of the current budget – as detailed within the annual Business Rates Income Forecast report. Any additional relief granted will have a direct impact on income levels and will need to be contained within the net budgeted business rates income level or from the Council's own discretionary relief budget of £17,120 (for the Council's 40% share).

Cabinet approval would be required for any major changes to discretionary relief expenditure in excess of the budget allocation or with a material impact the collection fund – together with identification of the funding source.

LEGAL/RISK IMPLICATIONS BACKGROUND

Not applicable

SUSTAINABILITY IMPLICATIONS

The granting of relief will ensure continued stability of funding for the organisations concerned.

BACKGROUND INFORMATION

Each application for rate relief will be considered on its individual merits but in making a decision on the award the decision maker will give due consideration to the requirements of this Policy.

In determining an award of rate relief consideration shall be given to the interests of the Borough's Council Taxpayers in making an award. Awards shall only be made where the benefits to the Borough's Council Taxpayers are considered to outweigh any detriment to those interests including, but not limited to, the financial impact of the award.

All applicants are required to complete the Council's rate relief application form. Such information and evidence as the Council requires must be provided to support an application and in the event that the requested information and evidence is not provided the application may be refused.

In submitting an application the ratepayer must demonstrate with verifiable supporting evidence the benefits to the Borough's Council Taxpayers that will accrue from making an award.

REPORT AUTHOR

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LIST OF BACKGROUND PAPERS

Business Rates Income Forecast report, Cabinet 23 January 2014
Local Government Finance Act 1988, Local Government & Rating Act 1997 Non Domestic Rating (Discretionary Relief) Regulations, Local Government Act 2003,
Localism Act 2011

APPENDICES

Appendix A - Mandatory & Discretionary Rate Relief Policy

