

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – 19 SEPTEMBER 2017

Title of report	DISCRETIONARY RATE RELIEF SCHEME 2017/18
Key Decision	a) Financial Yes b) Community Yes
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Purpose of report	To seek approval of the proposed Discretionary Rate Relief Scheme.
Reason for Decision	Requirement of Financial Procedure Rules
Council Priorities	Value for Money
Implications:	
Financial/Staff	Financial issues are contained within the report.
Link to relevant CAT	None.
Risk Management	None.
Equalities Impact Assessment	Not required.
Human Rights	No implications.
Transformational Government	No implications.
Comments of Head of Paid Service	Report is satisfactory

Comments of Deputy Section 151 Officer	Report is satisfactory
Comments of Deputy Monitoring Officer	Report is satisfactory
Consultees	Corporate Leadership Team
Background papers	None
Recommendations	<p>THAT CABINET</p> <ul style="list-style-type: none"> - APPROVES THE AVERAGE 23% DISCRETIONARY RATE RELIEF SCHEME FOR 2017/18 - DELEGATES AUTHORITY TO THE SECTION 151 OFFICER TO AMEND THE SCHEME BASED ON ACTUAL LEVELS OF APPLICANTS FOR 2017/18 AND FUTURE FUNDING ALLOCATIONS FOR THE NEXT 3 FINANCIAL YEARS TO 2020/21

1.0 INTRODUCTION

- 1.1 At the Budget on 8 March 2017, the Chancellor announced that the government would make available a discretionary fund of £300 million to support those businesses most affected by the revaluation of all business properties, which took effect from 1 April 2017. The total resource available to support local authority's discretionary relief schemes will be allocated as follows:

Table 1 – National allocation of funding

2017/18	2018/19	2019/20	2020/21
£175m	£85M	£35m	£5m

- 1.2 Every billing authority in England has been provided with a share of the £300 million to support their local businesses. The relief is to be administered through the billing authority's discretionary relief powers under section 47 of the Local Government Finance Act 1988. The 2017/18 allocation for North West Leicestershire District Council is £293,000. The award of relief under the 2017/18 scheme is for a fixed period of one financial year only.. The allocation of funding will dramatically reduce in line with the total allocation of funding, as shown in the table below.

Table 2 – North West Leicestershire allocation of funding

2017/18	2018/19	2019/20	2020/21
£293k	£142k	£59k	£8k

1.3 The Government has empowered authorities to direct the funding where it is most needed to support local economies. It is therefore up to each billing authority as to which local businesses receive the relief.

2.0 PROPOSED ALLOCATION OF RATE RELIEF

2.1 The proposed discretionary rate relief scheme has been developed in consultation with the portfolio holder responsible for finance. The proposals direct relief towards small businesses within North West Leicestershire who meet the following criteria:

2.1.1 Those who occupy a business premises with a rateable value of less than £100,000; and

2.1.2 Have seen an increase in their rateable value / rates payable (after application of transitional relief - which limits how much bills can change each year as a result of revaluation); and

2.1.3 Currently occupy their business premises.

2.2 The proposed discretionary rate relief scheme has the following exclusions:

2.2.1 District and County Council accounts;

2.2.2 Ratepayers already in receipt of mandatory, and/or small business rate and/or discretionary relief;

2.2.3 Those with less than £600 extra to pay in 2017/18;

2.2.4 Those who occupy multi property business premises and/or are part of a national/international chain;

2.2.5 Public Houses as they will fall under the Pub Relief Scheme, noting that eligible pubs will benefit from a discount of up to £1,000 if the rateable value is under £100,000.

2.2.6 Those who fall within the Supporting Small Businesses Scheme, i.e. those who are no longer eligible for, or receiving less, Small Business Rate Relief or Rural Rate Relief as a direct result of the 2017 revaluation of business properties.

3.0 FINANCIAL IMPLICATIONS

3.1 The funding of £293,000 is the total amount of relief to be provided to ratepayers. Under the business rates retention system, the reduction in business rates receipts resulting from the increased award of discretionary relief will result in a reduction in the Council's, the County Council's and the Combined Fire Authority's business rates income of 50% of the value of the relief given. The amount of income to be reimbursed by Central Government under the scheme is therefore £146,688. The Council will be paid 40% of the total award in line with the proportion of their lost income under the rates retention scheme.

3.2 New burdens funding of £12,000 will be paid to every Billing Authority to pay for the administrative cost of implementing the scheme.

3.3 After applying the criteria and exclusions to ratepayers in North West Leicestershire, there are 139 businesses with rates payable of £1,215,607 in 2017/18, who could

apply for the new relief. Applying the funding on a percentage basis equates to an average relief of 24.10%.

- 3.4 A 23% average discount is proposed, which will leave a fund of £13,410.39 to be used as a contingency to cover any additional claims arising and for individual hardship cases that the Council may choose to support or to supplement the ratepayers who receive Discretionary Rate Relief under this scheme but are then subject to a backdated increase in their rateable value.
- 3.5 Ratepayers must advise us of any changes to their liability which will lead to the award being revised/removed from the date of change.
- 3.6 It is proposed that the Council's Section 151 Officer is given delegated authority to amend the percentage discount given to ratepayers who meet the criteria as set out in 2.1 based on actual levels of applicants for 2017/18; and for the financial years 2018/19 – 2020/21 based on revised funding allocations and the level of rates payable within those individual financial years.

4.0 CONSULTATION

- 4.1 The funding conditions require billing authorities to consult their major precepting authorities. Leicestershire County Council and Leicestershire Fire and Rescue Service were written to on 18 August 2017 with details of the proposed scheme. Both authorities have responded to confirm their support of the proposals.

5.0 IMPLEMENTATION OF THE SCHEME

- 5.1 A simple application form/state aid declaration will be developed by the Revenues and Benefits Partnership which targeted ratepayers will be asked to sign and return. The relief will be awarded and a revised bill issued upon receipt of the returned document.