

Report of	Meeting	Date
Director of Customer & Digital (Introduced by the Executive Member for Customer, Advice & Streetscene)	Executive Member Decision (Resources)	February 2020

NATIONAL NON-DOMESTIC RATES: DISCRETIONARY RATE RELIEF POLICY

PURPOSE OF REPORT

1. To gain approval to amend the Discretionary Rate Relief Policy to include:
 - a. the increase in Retail Discount from one third of the bill to 50%
 - b. the extension of Retail Discount to eligible music venues and cinemas
 - c. the reintroduction of Public House Relief
 - d. Relief for Local Newspapers
2. To confirm the % of Local Discretionary Relief (Revaluation) to be awarded to eligible cases in 2020-21

RECOMMENDATION(S)

3. To amend the Discretionary Rate Relief Policy, under delegated powers, to include:
 - a. the increase in Retail Discount from one third of the bill to 50%
 - b. the extension of Retail Discount to eligible music venues and cinemas
 - c. the reintroduction of Public House Relief
 - d. Relief for Local Newspapers
4. To note the % of Local Discretionary Relief (Revaluation) to be awarded to eligible cases in 2020-21

EXECUTIVE SUMMARY OF REPORT

5. The Discretionary Rate Relief Policy requires amendment to include a number of changes confirmed in a Ministerial Statement on 27 January 2020 (Appendix 1):
 - a. the increase in Retail Discount from one third of the bill to 50%
 - b. the extension of Retail Discount to eligible music venues and cinemas
 - c. the reintroduction of Public House Relief
 - d. the extension of Relief for Local Newspapers
6. These amendments are required to ensure the policy remains up to date and consistent with local and statutory requirements.
7. When the Discretionary Rate Relief Policy was refreshed in June 2015 Executive Cabinet permitted that changes to the policy could be approved under delegated powers (EMD) by the Executive Member for Resources, where the changes are cost neutral. These changes are wholly funded by Central Government through a Section 31 grant and are therefore cost neutral to the Council

Confidential report Please bold as appropriate	Yes	No
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Key Decision? Please bold as appropriate	Yes	No
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Reason Please bold as appropriate	1, a change in service provision that impacts upon the service revenue budget by £100,000 or more	2, a contract worth £100,000 or more
	3, a new or unprogrammed capital scheme of £100,000 or more	4, Significant impact in environmental, social or physical terms in two or more wards

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

- To ensure that the Discretionary Rate Relief Policy is up to date and consistent with local and statutory requirements.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- None.

CORPORATE PRIORITIES

- This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all		A strong local economy	X
Clean, safe and healthy homes and communities		An ambitious council that does more to meet the needs of residents and the local area	X

RETAIL DISCOUNT

- In the 2018 Autumn Budget Statement the Government announced that in 2019-20 and 2020-21 a Business Rates Retail Discount Scheme would be provided for occupied retail properties with a rateable value of less than £51,000.
- Properties that benefit from this relief are occupied premises that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments
- In 2019-20 eligible ratepayers were awarded a reduction of one third of the bill, after mandatory reliefs and other discretionary reliefs funded by Section 31 grants had been applied.
- The Government has recently announced that Retail Discount will be increased from one third of the bill to 50% in 2020-21 and extended to include eligible cinemas and music venues with a rateable value of less than £51,000.
- These changes were confirmed in a written ministerial statement on 27 January 2020 with the Government stating that they expect local authorities to ensure these changes are applied for the start of the 2020-21 billing period.
- It is estimated that in 2020-21, 223 ratepayers will qualify for this relief with a grand total of £915K being awarded. Retail Discount will be proactively awarded to eligible ratepayers.
- As this discount scheme is a temporary measure until 2020-21, the Government is not changing legislation in relation to the reliefs available to businesses. It is therefore necessary for billing authorities to adopt a local scheme and determine in each individual case when to grant relief under their discretionary powers.
- Retail Discount is wholly funded by Central Government through a Section 31 grant and therefore cost neutral to the Council.

PUBLIC HOUSE RELIEF

19. Public House Relief will provide a £1,000 discount to eligible pubs with a rateable value of less than £100,000 in 2020-21. This relief is in addition to Retail Discount and will be awarded after Retail Discount to ensure maximum benefit to ratepayers.
20. The reintroduction of Public House Relief was confirmed in a written ministerial statement on 27 January 2020 with the Government stating that they expect local authorities to ensure this change is applied for the start of the 2020-21 billing period.
21. It is estimated that in 2020-21, 64 ratepayers will qualify for this relief with a grand total of £63,190K being awarded. Public House Relief will be proactively awarded to eligible ratepayers.
22. Public House Relief is wholly funded by Central Government through a Section 31 grant and therefore cost neutral to the Council.

LOCAL DISCRETIONARY RELIEF (REVALUATION)

23. In the 2017 Spring Budget the Government made available a discretionary fund to support ratepayers facing the steepest increases in their Business Rate bills as a result of the 2017 revaluation.
24. £204K was allocated to Chorley Council to provide tapered discretionary relief to affected ratepayers over a four-year period:

Year 1	25.	2017-18	26.	£119K
Year 2	27.	2018-19	28.	£58K
Year 3	29.	2019-20	30.	£24K
Year 4	31.	2020-21	32.	£3K

25. In the final year of the scheme 19 ratepayers remain entitled to this relief. To ensure maximum spend of the grant (£3,120) the 2020-21 percentage of relief should be set at 0.70%. This will achieve a total of £3,087.40 of relief being awarded and a negligible underspend of £32.60.
26. In February 2019 the Executive Member (Resources) approved that in 2020-21 the percentage of Local Discretionary Relief (Revaluation) to be awarded should achieve maximum spend of the Section 31 grant allocation removing the need for any further approval.
27. Local Discretionary Relief (Revaluation) is wholly funded by Central Government through a section 31 grant and therefore cost neutral to the Council.

RELIEF FOR LOCAL NEWSPAPERS

28. From 1 April 2017 funding has been provided to local authorities to provide a discount of £1,500 for office space occupied by local newspapers. This scheme was due to end in 2018-19, however, the Government has recently announced its extension for an additional 5 years until 31 March 2025.
29. Although there is currently no office space occupied by local newspapers in Chorley Council's rating list, the details of this relief and its eligibility criteria should be included in the Council's Discretionary Rate Relief Policy.

IMPLICATIONS OF REPORT

30. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	X	Customer Services	
Human Resources		Equality and Diversity	
Legal	X	Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

COMMENTS OF THE STATUTORY FINANCE OFFICER

31. The recommended actions have no net impact on the funding that will be available to the Council in the coming financial year, with their implications being limited to the detail of how the money will be received.

COMMENTS OF THE MONITORING OFFICER

32. The changes proposed to the local scheme reflect changes imposed from central government.

ASIM KHAN
DIRECTOR (CUSTOMER & DIGITAL)

There are no background papers to this report.

Report Author	Ext	Date
Alison Wilding		February 2020

Following careful consideration and assessment of the contents of this report, I approve the recommendation(s) contained in Paragraph 2 of the report in accordance with my delegated power to make executive decisions.



_____ Dated 10.03.20 _____

Councillor Peter Wilson
Executive Member (Resources)