

Report of	Meeting	Date
Director of Customer & Digital (Introduced by the Executive Member for Customer, Advice & Streetscene)	Executive Member Decision (Resources)	March 2018

## **NATIONAL NON-DOMESTIC RATES (BUSINESS RATES) DISCRETIONARY RATE RELIEF POLICY**

### **PURPOSE OF REPORT**

- To gain approval for proposed changes to the Discretionary Rate Relief Policy.

### **RECOMMENDATION(S)**

- To approve proposed changes to the Discretionary Rate Relief Policy under delegated powers (EMD).

### **EXECUTIVE SUMMARY OF REPORT**

- The Discretionary Rate Relief Policy needs to be amended from 1 April 2018 to:
  - extend the Business Rate Relief Scheme for Pubs for a further year to 31 March 2019
  - include the option to award local discretionary relief of up to 50% in respect of Rural Rate Relief
  - remove a number of statutory reliefs that have expired
- When the Discretionary Rate Relief Policy was refreshed in June 2015 Executive Cabinet permitted that further changes to the policy could be approved under delegated powers (EMD) by the Executive Member for Resources where the changes are cost neutral.

<b>Confidential report</b> Please bold as appropriate	Yes	<b>No</b>
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<b>Key Decision?</b> Please bold as appropriate	Yes	<b>No</b>
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<b>Reason</b> 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 statutory requirements.

## ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

6. None.

## CORPORATE PRIORITIES

7. 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	
Clean, safe and healthy homes and communities		An ambitious council that does more to meet the needs of residents and the local area	

## BACKGROUND

8. The Business Rate Relief Scheme for Pubs was announced as a new relief in the 2017 Spring Budget and implemented initially for one financial year only, from 1 April 2017 to 31 March 2018. However in the 2017 Autumn Budget the government announced the extension of this relief for a further financial year to 31 March 2019.
9. The 2016 Autumn Statement confirmed the doubling of Rural Rate Relief available to eligible businesses from 50% to 100%. The government intended to amend primary legislation to require local authorities to grant 100% mandatory Rural Rate Relief. However, we have since been informed that this legislative amendment will not be made and local authorities will be expected to use their local discount powers to grant 100% Rural Rate Relief to eligible ratepayers,
10. The following reliefs were implemented for a temporary period which has expired:
  - a. Re-occupation Relief
  - b. New Build Empty Property Relief
  - c. Extension to Transitional Relief (in respect of the 2010 rating list)
12. All of these relief changes are compensated by section 31 grants and are therefore cost neutral to the Council
13. The current policy has been amended to outline the above changes which are highlighted in red font throughout Appendix A.

## BUSINESS RATE RELIEF SCHEME FOR PUBS

14. A discount of up to £1,000.00 can be awarded to public houses with a rateable value of less than £100,000.
15. In the Autumn Budget 2017 the Chancellor announced that the Relief Scheme for Pubs would be extended by a further year into 2018-19.
16. 57 ratepayers are currently eligible for this relief.

## RURAL RATE RELIEF

17. The purpose of Rural Rate Relief is to support local communities. The Council must grant mandatory relief of 50% in specific circumstances and also has discretionary powers to grant additional relief.
18. From 1 April 2017 Chorley Council has followed the government's directive by awarding local discretionary relief of 50% to eligible cases.
19. 5 ratepayers are currently eligible for this relief and therefore pay business rates of £0.00.

## RE-OCCUPATION RELIEF

20. This temporary relief of up to 50% was introduced by the government in 2014 to encourage occupation of shops to help build a thriving town centre. Eligibility for this relief ended on 30 September 2017.
21. No ratepayers were eligible for this relief in 2017-18.

## NEW BUILD EMPY PROPERTY RELIEF

22. The purpose of the New Build Empty Property Relief was to help to stimulate construction.
23. The relief was introduced as a temporary measure to be awarded for a maximum period of 18 months.
24. Eligibility for this relief commenced on 1 October 2013 and will end on 31 March 2018.
25. In 2017-18 no ratepayers were eligible for this relief.

## EXTENSION TO TRANSITIONAL RELIEF (IN RESPECT OF THE 2010 RATING LIST)

26. When the 2015 revaluation was delayed until 2017 this transitional relief scheme was extended to cap rate increases for small and medium properties falling out of transition 2015-2016.
27. This relief ended on 31 March 2017 when the 2017 rating list became effective.
28. 24 ratepayers were awarded this relief in 2016-17 and if eligible automatically moved over to the transitional relief scheme in respect of the 2017 rating list.

## IMPLICATIONS OF REPORT

11. 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

12. Estimated Discretionary Rate Relief figures were included in the council's NNDR1 return for 2018/19. The loss of rates income and receipt of S31 Grant to finance the Autumn Statement reliefs has been reflected in the council's proposed budget for 2018/19. The Autumn Statement reliefs are broadly cost neutral.
13. Any difference between estimated and actual reliefs awarded during 2018/19 would not affect the rate income transferred to the General Fund until the following year.

## COMMENTS OF THE MONITORING OFFICER

14. No comments.

ASIM KHAN  
DIRECTOR (CUSTOMER & DIGITAL)

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Alison Wilding	5438	21 February 2018	***

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 02/03/18

**Councillor Peter Wilson**  
**Executive Member (Resources)**