

<b>SUBJECT:</b>	<i>Discretionary Business Rate Relief – Spring Budget 2017</i>
<b>REPORT OF:</b>	<i>Trevor Egleton</i>
<b>RESPONSIBLE OFFICER</b>	<i>Nicola Ellis – Head of Customer Services</i>
<b>REPORT AUTHOR</b>	<i>Neil Berry – Service Development Manager</i>
<b>WARD/S AFFECTED</b>	<i>All</i>

## 1. Purpose of Report

To agree a proposed scheme for awarding Discretionary Business Rate Relief following announcement of central government funding in the Spring 2017 budget.

### **RECOMMENDATIONS to Cabinet that**

- 1. The discretionary scheme set out in Appendix A is agreed.**
- 2. Authority to be delegated to the Head of Customer Services in consultation with the relevant portfolio holder to agree the final % award for the financial years 2017/18 and 2018/19, and future changes having regard to Government guidance, the Council's financial position and other such considerations as they may think fit.**
- 3. Authority for all awards made in accordance with para 4.2 a) of this report be delegated to the Head of Customer Services. All awards under para 4.2b) will be made in accordance the Council's existing Discretionary Rate Relief Policy**

## 2. Executive Summary

2.1 The Government announced a new scheme of discretionary relief for businesses in the spring budget. The Department for Communities and Local Government has made it clear that it is for each local authority to design its own scheme.

2.2 A standard scheme throughout Buckinghamshire has been designed, with some flexibility for local variations.

## 3. Reasons for Recommendations

3.1 Cabinet approval is needed to implement this new scheme that will be of benefit to local businesses

#### **4. Background and Issues**

- 4.1 The Discretionary Business Rate Scheme is aimed at supporting those businesses facing a large increase in their business rates as a result of the revaluation which came into effect in April 2017. The Government has allocated funding over the 4 years of the scheme, however believes local authorities are best placed to judge the criteria for relief and the amount awarded. It is suggested that the South Bucks scheme is aimed at supporting local businesses.
- 4.2 A two-pronged approach is recommended to support local businesses for the first two years:
- a) All ratepayers matching agreed criteria (outlined below) to qualify for an award equivalent to a percentage of the increase they have faced (% to be agreed, based on affordability)
  - b) Applications from ratepayers falling outside the criteria to be considered on a case by case basis and assesses on need and local impact.
- 4.3 As Central Government funding in years 3 and 4 is significantly less than earlier years it is difficult to imagine meaningful awards being applied to a wide group of ratepayers. In view of this, a case by case approach is recommended with special consideration being given to the benefits to the district.
- 4.4 A summary of the suggested eligibility criteria is set out below:
- a) Relief is aimed at local businesses
  - b) The business must see an increase in business rates between 2016 and 2017 as a result of the revaluation. This increase must be a minimum of £500 per annum
  - c) Awards will be made as a percentage of the increase in rates
  - d) The scheme will normally apply to businesses with a rateable value below £200,000
  - e) Awards in year 2 will be a proportion of year 1 relief
  - f) The following types of occupiers / properties will not qualify for relief:
    - Unoccupied properties
    - Ratepayers who occupy more than 2 properties
    - Government buildings
    - Betting and gambling premises
    - Financial institutions including cash machines / ATMs
    - Pawnbrokers and pay day lenders
    - Sex shops
    - Education establishments
    - NHS premises
    - Premises occupied by a precepting authority (legislative restriction)
    - Ratepayers already in receipt of mandatory / discretionary relief
- 4.5 The full scheme for approval is set out in Appendix A

## 5. Consultation

- 5.1 There is a requirement to consult with the County Council and major preceptors on the proposed scheme and their support has been confirmed through the Bucks Finance Officers Group.

## 6. Corporate Implications

- 6.1 Financial – Each local authority already currently administers discretionary relief under section 47 of the Local Government Finance Act 1988. Authorities will be provided with specific funds to support businesses in their area for this new scheme.

- 6.2 The funding allocation announced by central government for South Bucks is as follows, and shows a significant tapering of funding especially in years 3 & 4.

<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
£164,000	£80,000	£33,000	£5,000

If Government funding levels are exceeded any over-spending will be funded by 40% SBDC, 10% Bucks CC and 50% Central Government.

## 7. Links to Council Policy Objectives

- 7.1 The provision of an effective Discretionary Business Rate Relief scheme supports the Councils aim of promoting a thriving economy.

<b>Background Papers:</b>	None
---------------------------	------