

Bath & North East Somerset Council

MEETING/ DECISION MAKER:	Cllr Charles Gerrish, Cabinet Member for Resources	
MEETING/ DECISION DATE:	On or after 21 August 2017 (for single Member decision)	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2985
TITLE:	Further Amendment to National Non Domestic Rate Relief Policy	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Revised Appendix D to the Discretionary rate relief Policy, Business Rates Information Letter 04/2017		

1 THE ISSUE

The updated Appendix D to the Bath and North East Somerset Council Non Domestic Rate Relief Policy gives guidance to officers administering claims for discretionary relief under discretionary powers provided by the Local Government Finance Act 1988 ("The 88 Act").

Appendix D covers:

Business Rates Relief Scheme for Pubs

Support for Small Businesses Relief

Business Rates Revaluation Support Relief.

The update is required in order for the council to be able to determine applications in respect of the above reliefs which are new from April 2017

2 RECOMMENDATION

The Cabinet Member is asked;

To approve the proposal relating to these reliefs in the attached Appendix D

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

The detailed financial issues are documented in the Appendix D report. There is no financial cost to the Council other than the administration of the schemes which will be carried out within existing resources which will be supplemented by an additional £12,000.00 of New Burdens funding from the Government

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The Localism Act of 2011 (“The 11 Act”) amended the discretionary powers available to Councils with effect from 1st April 2012. Specifically, section 69 of The 11 Act amended section 47 of The Local Government Finance Act 1988 (“The 88 Act”). Section 47 of the 88 Act enables the Council to grant relief to any ratepayer, including profit making organisations and individuals, with the proviso that awarding relief is in the interests of its Council Tax payers
- 4.2 Any use of this additional discretionary power would normally have to be funded in full by the local authority, as government funding is not normally available to offset the cost of granting this relief.
- 4.3 Since the amendments to The 88 Act, the Government has introduced further measures aimed at providing business rate relief to specific ratepayers who would be adversely affected by the 2017 Business Rates Revaluation whilst guaranteeing to reimburse Councils for the local share of discretionary relief by way of a grant under section 31 of the Local Government Act 2003 (“The 03 Act”).
- 4.4 State Aid rules will have to be applied in cases which exceed the de-Minimis levels set and these are documented in Appendix D.
- 4.5 Guidance on operating the reliefs is provided by DCLG which is referenced in Appendix D.

5 THE REPORT

- 5.1 The Government has introduced a number of measures to provide Business Rates relief to qualifying ratepayers and guaranteed to reimburse local authorities for the local share of these discretionary reliefs using a grant under Section 31 of The 03 Act.
- 5.2 The relief relating to the Business Rates Relief Scheme for Pubs and Support for Small Businesses relief is prescriptive and, although a discretionary power, clear guidance on its administration is provided by the Department for Communities and Local Government.
- 5.3 Business Rates Revaluation Support relief is less prescriptive and the Council needs to consider the type of businesses it wishes to support, having regard to the amount of funding provided, and the government guidance which states that funding for the relief will only be provided for businesses facing an increase in the business rates bills as a result of the revaluation.
- 5.4 The methodology employed in calculating the level of funding for this relief has been determined on the basis that more relief should be awarded to Ratepayers facing the most significant increase in Business Rates bills and Ratepayers

which occupy properties with lower Rateable Values. It is proposed that the Council adopt a scheme based around these principles.

Set out in Appendix D is a proposed scheme for Business Rates Revaluation Support Relief with qualifying criteria as follows:

- The Rateable Value of the property as at 01.04.2017 must be below £200,000.00
- The increase in the Rateable Value on the 2017 List for the property is more than 12.5% compared to the Rateable Value on the 2010 List.
- The party liable to pay the Business Rates is a Small or Medium Enterprise.
- Any Hereditaments which are empty are excluded from the scheme for the period that they are empty.
- Any Ratepayers who become liable after 01/04/2017 are excluded from this relief
- The amount of relief awarded under this scheme is limited to the increase in the SME's net bill between 2016/17 and 2017/18, after other reliefs, including the normal Transitional Relief scheme, have been taken into account.
- To avoid high costs of administration for minor awards of relief, any Ratepayers who would qualify for an award of this relief of £25 or less will not be eligible for this relief.

6 RATIONALE

The Government announced the introduction of these relief schemes at the Spring 2017 Budget, with the key aims to help businesses and ratepayers adversely affected by the 2017 revaluation. In order to administer the schemes the Council must update its policy on Business Rates Relief and where appropriate introduce criteria and rules to qualify for the reliefs. The rewarding of relief will be in the best interests of Council Tax payers as it will support a diverse and vibrant local economy and is fully funded by Government.

7 OTHER OPTIONS CONSIDERED

We looked at a number of different options for providing relief, including proposed schemes for other West Of England Authority Councils, but due to the different characteristics of the Business Rate payers in each Council it would not be possible to adopt a shared scheme, as there would be a risk of over or under spending the Government funding for each Local Authority. Other options considered include a scheme where awards of relief would be calculated as lump sum amounts for all properties with rateable values below £200,000.00 facing an increase in their Rateable Value of more than 12.5%; with additional amounts for ratepayers with lower Rateable Values and those whose bills had increased by a minimum percentage.

We also considered excluding certain categories of businesses or ratepayers from the scheme and concluded that, if the scheme were limited to Small and Medium Enterprises, then this would better focus the Council's limited resources on smaller businesses facing steeper increases in their bills because of the Revaluation.

8 CONSULTATION

A Formal Consultation exercise has been undertaken with the West of England Combined Authority and the Avon Fire Authority and views have also been sought from the Gloucestershire and the West of England Federation of Small Businesses.

9 RISK MANAGEMENT

A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

Contact person	<i>Ian Savigar, Divisional Director For Customer services</i>
Background papers	<i>None</i>
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