

Bath & North East Somerset Council		
MEETING/ DECISION MAKER:	Cllr Charles Gerrish, Cabinet Member for Resources	
MEETING/ DECISION DATE:	On 25 th January 2018	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3043
TITLE:	RULE 16 NDR Revaluation Relief update and minor Policy amendments	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Draft Appendix D to the Discretionary rate relief Policy, Business Rates Information Letter 09/2017		

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 Officers to be able to award Business Rates Revaluation Support Relief to qualifying ratepayers without the need for an application form to be completed. The Policy also needs to be amended to reflect the extension of the Business Rates Relief Scheme for Pubs for a further year in 2018/19, and to remove references in appendix C to the Council's Non Domestic Rate Relief Policy to Re-occupation relief, which has now become obsolete.

2 RECOMMENDATION

The Cabinet Member is asked;

To approve the proposal relating to these reliefs in the attached Appendices D and C

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

There will be no financial cost to the Council in making these changes, and the Council may make some small efficiency savings in the administration of Revaluation Support.

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 The Council has been allocated a sum of money to fund the Business Rates Revaluation Support Relief scheme for 2017/18, and any underspend from this fund must be returned to the Government.
- 4.3 The Council is proposing that the amounts of relief awarded to individual ratepayers under the scheme in respect of the 2018/19 financial year will be based on a percentage of the relief awarded in 2017/18 and so it is important that the 2017/18 allocation is allocated to as many qualifying ratepayers as soon as possible to avoid an underspend in current and subsequent years.
- 4.4 An update containing guidance on operating the reliefs has been published by DCLG and is attached to this report (Business Rates Information Letter 09/2017).

5 THE REPORT

- 5.1 The Government recently announced that the Business Rates Relief Scheme for Pubs, originally designed to operate in 2017/18 only, would be extended for a further year. In order for Officers to award this relief in 2018/19 the Policy must be amended.
- 5.2 The Council introduced the Business Rates Revaluation Support Relief scheme in 2017 and despite emailing application forms to all ratepayers who would qualify for the relief there has been a take up of around 20%. Officers have contacted other Councils and taken advice from the Institute of Revenues, Rating and Valuation and the Department of Communities and Local Government and believe that there is no requirement in law for an application form to be completed before Revaluation Support Relief can be awarded. If the relief were awarded automatically it would mean that the funding provided by the Government could be used much more efficiently. Ratepayers would not need to claim the relief as the Council is already aware of the ratepayers who would qualify under the rules of the scheme.
- 5.3 The funding provided by DCLG in respect of the financial year 2018/19 is approximately half of that provided for 2017/18. The proposal is therefore that the methodology for calculating awards remains as it currently is but the amount of the award is reduced by 48.5% for awards in respect of 2018/19. This

proposal will only be effective if the Council's allocation of funds for 2017/18 is spent in full or as much as possible is spent.

5.4 Although the Business Rates information letter 09/2017 suggests that claims for relief in respect of 2017/18 will be supported up to 30th September 2018, there is an urgency to amend the Policy so that Officers may award both Revaluation Support Relief and Business rates relief for Pubs to qualifying ratepayers before annual bills for 2018/19 are calculated.

5.5 Revaluation Support is detailed in Appendix C of the Council's Non Domestic Rate Relief Policy. This relief is no longer in payment to any ratepayer, and the time limit for applying for the relief has now expired. This is an appropriate opportunity to remove references to this now obsolete relief.

6 RATIONALE

The Non Domestic Rate Relief Policy must be updated in order to bring about these changes. The changes to Revaluation Support will enable the Council to allocate the funding provided by the Government directly to qualifying ratepayers Business Rates accounts without the need for cumbersome administration. It will also enable to Council to spend the Government's allocation of funding for 2018/19 without having to return any funds to the Government. The changes relating to Relief for Pubs will enable to Council to award this relief to qualifying ratepayers in 2018/19. The Council's Policy should be kept up to date and otiose references to reliefs which no longer exist should be removed.

7 OTHER OPTIONS CONSIDERED

The Scheme for Pubs is quite prescriptive and there is no option to alter the scheme. The amount of funding provided for Revaluation Support for 2018/19 will mean that if the Council uses the same rules in calculating the relief, but allowing for a reduction in award of approximately 50%, 612 ratepayers could still see a reduction in their bill. The amount of funding which the Government plans to provide for 2019/20 will be reduced to just £78,000.00 and it might be appropriate to review the scheme in 2018/19 to better target ratepayers who are struggling with the effects of the 2017 Revaluation.

8 CONSULTATION

The Council has sought the views of the Institute of Revenues, Rating and Valuation, and has considered the views and local schemes operated by other Councils

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>

Please contact the report author if you need to access this report in an alternative format