

Decision under Delegated Powers

Officer Making the Decision

Strategic Director of Corporate Services

Recommendation

It is recommended that:

Transitional business rate relief relating to the 2019/20 financial year is offered to qualifying businesses in line with the scheme details set out in the background to this report.

Reason

To provide qualifying businesses with transitional business rate relief in line with additional government funding provided for transitional business rate relief in the financial year 2019/20.

Authority for Decision

Authority for these decisions arises from the Cabinet Report 'Discretionary Business Rates Relief in Charnwood' of 19 October 2017. Minute 43 of this meeting resolved (inter alia):

'that delegated authority be given to the Strategic Director of Corporate Services, in consultation with the Cabinet Lead Member for Finance and Revenues and Benefits, to apply the scheme of transitional business rate relief for affected businesses for future financial years based on the resources available.'

Decision and Date

APPROVED



8 April 2019

Background

A £300m package of additional transitional reliefs for businesses adversely affected by the 2017 business rates revaluation was announced by the Government in March 2017. This was over and above the mandatory transitional reliefs announced within the 2016 autumn statement. The additional package of relief requires that a local scheme be developed for its allocation and administration for the four financial years commencing 2017/18.

The Council's share of the total £300m was spread over the four years as follows:

2017/18	2018/19	2019/20	2020/21
£470,627	£228,590	£94,125	£13,446

The Council's approach in 2017/18 was to provide a more generous transitional phasing by capping increases to 2017/18 rate bills for small and medium properties to 2% plus 2% inflation. It was considered appropriate to target relief to smaller and medium sized businesses as they are more likely to be local independent businesses and, being of lower scale, may have greater difficulties in paying the additional rates. This approach was consistent with Government policy where they had indicated their preference that relief is awarded to ratepayers or localities that face the most significant increases in bills, and for ratepayers occupying lower value properties.

This approach continued into 2018/19 in line with the delegation approved within the original Cabinet report of 19 October 2017. The transitional phasing awarded under a Delegated Decision of 15th August 2018 capped increases to 2018/19 rate bills for small and medium properties to 14% plus 3% inflation.

This Delegated Decision covers the transitional relief scheme that will be applied in respect of 2019/20.

The new scheme of discretionary rate relief for the 2019/20 financial year will apply to:

- a) those properties currently benefiting from Charnwood's Discretionary Transitional Business Rate Relief Scheme in 2018/19 and still facing substantial increases; and to
- b) those public houses in receipt of public house relief in 2018/19 but unable to claim the new retail discount in 2019/20, but still facing a substantial rate increase.

The Government have agreed to meet any relief awarded through such a scheme up to a maximum level of £94,125.

Relief awarded in respect of 2019/20 will cap the level of the 2019/20 rate charge to the 2018/19 level plus 14.5% plus 2.3% inflation. The rateable value threshold will be £125,000 and the amount of relief will be subject to a lower limit of £50.

It is estimated that the awards available to ratepayers following the introduction of this scheme for 2019/20 will cost in the region of £94,000.

Businesses will not have to apply for relief. Identified businesses will be automatically re-billed at lower amounts subject to confirmation that state aid limits have not been breached.

The Lead Member for this service (Cllr Tom Barkley) has been consulted the approach set out above.

Financial Implications

The decision taken above is designed to maximise the use of government funding provided for transitional relief. The scheme is designed such that it is expected that no additional funding will be required from the Council's own resources. Any funding that may ultimately be required would be nugatory and found within existing budgets.

Risk Management

<i>Risk Identified</i>	<i>Likelihood</i>	<i>Impact</i>	<i>Risk Management Actions Planned</i>
The cost to the Council of the transitional relief scheme could exceed funding provided by Government	2 (Unlikely)	1 (Minor)	<ul style="list-style-type: none">The scheme is designed to cost slightly less than funding provided; limited additional funding can be found within existing budgets

Key Decision: Yes

Date included on Forward Plan: 10 July 2019

Background Papers: Cabinet report 19 October 2017:
Discretionary Business Rate Reliefs
in Charnwood

