



**Report Reference Number: E/18/26**

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**To: Executive**  
**Date: Thursday 8 November 2018**  
**Status: Non Key Decision**  
**Ward(s) Affected: All**  
**Author: Tammy Fox, Taxation, Benefits & Debt Team Leader and June Rothwell, Head of Operational Services**  
**Lead Executive Member: Cllr Lunn, Lead Executive Member for Finance and Resources**  
**Lead Officer: Karen Iveson, Chief Finance Officer**

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**Title: National Non- Domestic Rates Discretionary Rate Relief Scheme for 2019/20 and 2020/21**

## **1. Summary**

- 1.1 This report will give an update on the relief already provided to businesses in 2017/18 and 2018/19 from the reliefs announced in the Spring 2017 budget.
- 1.2 The report also proposes the amount of relief to be granted for the localised discretionary scheme for 2019/20 and 2020/21 using the amount of government funding available.

## **2. Recommendations**

- 2.1 The Executive will be asked to approve the proposal for the discretionary relief scheme for 2019/20 and 2020/21.

## **3. Reason for recommendation**

- 3.1.1 The proposal is easy to administer and the best use of the available funding.

## **4. Background**

- 4.1 In the Spring Budget of the 8 March 2017 the government announced three measures to assist business ratepayers following the revaluation of April 2017.

- A 'supporting small businesses relief'. Rate rises for businesses losing existing relief will be capped at £50 a month for five years.
  - Every pub with a rateable value of less than £100,000 will receive a discount of £1,000 in 2017/18. This was later extended to a further £1,000 in 2018/19.
  - A £300m hardship fund to enable local authorities to offer discretionary relief to the worst-hit firms.
- 4.2 In November 2017 the Executive approved the discretionary relief scheme of 12.5% relief in 2017/18 and 6% relief in 2018/19.

## **5. The Report**

### **5.0 Relief awarded in 2017/18 and 2018/19**

#### **5.1 Supporting Small Business Relief**

5.1.1 In 2017/18 there were 28 businesses who received supporting small business relief totalling £34,285.00. In this year 2018/19 there has been 18 businesses who received relief totalling £29,257.00.

5.1.2 The scheme is due to continue for a further 3 years with those businesses who qualify continuing to receive this relief automatically.

#### **5.2 Pub relief**

5.2.1 In 2017/18 there were 58 public houses that received the relief with the total amount granted totalling £45,912.00. In the Autumn Budget 2017 it was announced the scheme would be extended to 2018/19 and 47 pubs have received £44,745.00 in relief this year.

5.2.2 The authority is compensated fully for all amounts granted in supporting small business and pub relief.

#### **5.3 Localised discretionary rate relief**

5.3.1 After agreeing our scheme for the localised discretionary rate relief we assisted 101 businesses who were eligible for 12% relief in 2017/18 with relief totalling £172,800.00, this was within the allocated budget of £185,000.00. The scheme assisted all eligible businesses who had a rates increase of more than 12.5% as this was central governments basis for the funding allocation.

5.3.2 In 2018/19 we have automatically applied the relief at the agreed rate of 6% and 90 businesses have qualified for £89,606.00 in relief. This is just below the allocated budget of £90,000.00 but it is expected the amount may possibly reduce before the end of the financial year due to natural changes in account holders, as new businesses would not qualify.

## **6. Proposals for 2019/20 and 2020/21 localised discretionary rate relief**

- 6.1 The allocated funding to the authority for 2019/20 is £37,000.00. All those businesses who currently receive the relief in 2018/19 would be eligible for relief in 2019/20. Based on the estimated increase in business rates cost for the next financial year an award of 2.2% in relief would cost £36,082.00.00.
- 6.2 The council therefore propose the relief allowable for 2019/20 be set at 2.2% to allow the maximum assistance possible but within the allocated funding. The scheme will continue to be easy to administer and support different types and sizes of business.
- 6.3 The allocated funding to the authority for 2020/21 is £5,000. To allow a percentage relief with such a low funding amount would be a negligible amount for each business. The council therefore proposes to allow consideration of any applications on a case by case basis.
- 6.4. Applications will only be considered from eligible businesses who fulfil the previous criteria and who have received the relief in previous years and only if they can provide evidence that the increase in business rates has caused them severe hardship. The decision to grant relief would be delegated to the NNDR Supervisor and the Taxation, Benefits & Debt Team Leader. The Council will not make awards in excess of the available funding.

## **7. Risks**

### **7.1 Legal**

- 7.1.1 The scheme is based on the legislation enacted after the Spring Budget 2017 to allow a discretionary scheme approved by each local authority to support businesses affected by the change following the revaluation.
- 7.1.2 As the schemes are discretionary there will be no right of appeal on any decision made.
- 7.1.3 All applicants will complete a state aid declaration to ensure all awards are state aid compliant.

### **8.2 Financial**

- 8.2.1 The government will fully reimburse councils for the cost of reliefs provided under the supporting small businesses and pub relief schemes through section 31 grants.
- 8.2.2 Key risks identified include the financial risk that cost will exceed available funding for the discretionary scheme. The council aims to maintain spend within the grant allocated by central government for the discretionary rate relief scheme. The intention is not to put any additional pressure or require any resource from the Council's general fund. Careful monitoring of the

budget and the amount of relief awarded will continue to take place to avoid overspend.

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