

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	30 March 2022
Subject:	Discretionary Rate Relief Policy
Report of:	Head of Corporate Services
Corporate Lead:	Chief Executive
Lead Member:	Lead Member for Finance and Asset Management
Number of Appendices:	One

Executive Summary:

The purpose of the report is to seek approval for an updated Discretionary Rate Relief Policy which considers the current eligibility criteria for discretionary rate relief.

As the government continues to take the approach of delivering new business rate reliefs through existing discretionary powers rather than changes to primary legislation, the report also seeks approval for the Head of Finance and Asset Management, in consultation with the Lead Member for Finance and Asset Management, to implement any further business rates relief introduced by government.

Recommendation:

- 1. That the Discretionary Rate Relief Policy at Appendix A is ADOPTED.**
- 2. That authority is delegated to the Head of Finance and Asset Management, in consultation with the Lead Member for Finance and Asset Management, to implement any further business rates reliefs introduced by government.**

Reasons for Recommendation:

Relief from business rates provides businesses and other organisations with valuable support and contributes to the Council's commitment to supporting and developing the local economy.

The Council is required to have a Discretionary Rate Relief Policy (guidelines) to set a framework for considering applications from business ratepayers.

Resource Implications:

For all new reliefs, the government will reimburse Councils for the cost of the relief granted, in accordance with its guidance, through Section 31 grant.

For existing discretionary reliefs, the Council meets 40% off the cost under the current funding arrangements for business rates.

Legal Implications:

Section 47 of the Local Government Finance Act 1988, and subsequent amending legislation, provides the criteria for awarding discretionary rate relief to certain categories of non-domestic ratepayer. Section 69 of the Localism Act 2011 provides a new discretionary power to reduce business rates for any local ratepayer.

Risk Management Implications:

The government has issued guidance to advise billing authorities of the criteria to be used in considering applications for discretionary rate relief. Each individual case needs to be treated on its own merits and we should not adopt a rigid policy or rule which means we do not give due consideration to each case. In recognition of this, the discretionary rate relief policy only provides a broad framework for decision making.

Performance Management Follow-up:

The award of discretionary rate relief is monitored on a regular basis.

Environmental Implications:

None.

1.0 INTRODUCTION/BACKGROUND

- 1.1** The Council is responsible for the billing and collection of business rates from all non-domestic properties in the borough.
- 1.2** Several reliefs are available to reduce the amount of business rates payable by businesses and other organisations required to pay business rates. Some of these are mandatory, however others are awarded through discretionary powers.
- 1.3** This report seeks to update the Discretionary Rate Relief Policy and sets out the current position regarding eligibility for the various types of discretionary rate relief.

2.0 BACKGROUND

- 2.1** National Non-Domestic Rates (NNDR) or business rates are payable by owners and occupiers of commercial properties in accordance with the Local Government Finance Act 1988. Until April 2013, business rates were collected by the Council and passed to government who redistributed them nationally. However, with the localisation of business rates, income from business rates now impacts directly on the Council's finances.
- 2.2** The proposed Discretionary Rate Relief Policy (attached at Appendix A) outlines the areas of local discretion and the Council's approach to various discretionary powers. This has been prepared having regard to the impact:
- of granting discretionary rate relief on the Council's wider financial position and the impact on Council taxpayers;
 - on the organisations and businesses that currently receive relief or may apply for it in the future; and
 - on the residents, businesses, and Council taxpayers of Tewkesbury borough.

2.3 The legislation governing the award of discretionary rate relief can be found in Section 47 of the Local Government Finance Act 1988 and subsequent amending legislation. The eligibility criteria for the various types of relief can be found in the Discretionary Rate Relief Policy.

2.4 The Discretionary Rate Relief Policy remains substantively unchanged other than a refresh in terms of language and structure. It adds in rural rate relief and relief for local newspapers as the position regarding these has changed since the current policy was agreed.

3.0 OTHER OPTIONS CONSIDERED

3.1 Members could choose not to award discretionary rate relief; however, it is important that we use our discretionary powers to support local businesses, charities and other organisations.

4.0 CONSULTATION

4.1 The recommendations in this report are based on the updating of an existing policy. There has been no specific consultation carried out with any business or other affected organisations included in the policy.

5.0 RELEVANT COUNCIL POLICIES/STRATEGIES

5.1 None.

6.0 RELEVANT GOVERNMENT POLICIES

6.1 Policies for relief to reduce the financial burden on business ratepayers.

7.0 RESOURCE IMPLICATIONS (Human/Property)

7.1 None directly associated with this report other than officer time.

8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

8.1 The relief scheme can contribute to sustaining a healthy local business community.

9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

9.1 None.

10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

10.1 None.

Background Papers: None.

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Appendices: A. Discretionary Rate Relief Policy.