



## Portfolio Holder Report

The portfolio holder will make a decision on this item after seven days have elapsed (including the date of publication).

Report of:	Portfolio Holder	Date of publication
Mark Billington, Service Director People and Place	Cllr Alan Vincent, Leader and Resources Portfolio Holder	29 September 2017

<b>Localised Discretionary Business Rate Relief Scheme for the period from 2017/18 to 2020/21</b>
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### 1. Purpose of report

- 1.1 To seek approval to adopt the proposed Localised Discretionary Business Rate Relief scheme for the financial years 2017/18, 2018/19, 2019/20 and 2020/21.

### 2. Outcomes

- 2.1 To provide financial support for local businesses affected adversely by the April 2017 business rates revaluation.

### 3. Recommendation

- 3.1 That approval is given to adopt the proposed Localised Discretionary Business Rate Relief scheme for the period from 2017/18 to 2020/21.

### 4. Background

- 4.1 At the Spring Budget in March 2017 the Chancellor announced that he would make £300 million available over four years to local authorities to support those local businesses that faced the steepest increases as a result of the revaluation.
- 4.2 The allocation of the funding nationally is £175 million in 2017/18, £75 million in 2018/19, £35 million in 2019/20 and £5 million in 2020/21.
- 4.3 Wyre Council has been allocated a maximum of £164,266 in 2017/18, £79,786 in 2018/19, £32,853 in 2019/20 and £4,693 in 2020/21.
- 4.4 The council is required to devise and implement its own scheme to determine allocation of the funding to eligible businesses, within broad guidance provided by the Department for Communities and Local

Government (DCLG). For details of the guidance issued by DCLG please refer to the link below:

<https://www.gov.uk/government/publications/42017-spring-budget-update>

## 5. Key issues and proposals

- 5.1 The policy attached at Appendix A has been developed giving consideration to the Government's stated objective of helping small local businesses detrimentally affected by the April 2017 business rate revaluation. It takes into account the Supporting Small Businesses Relief Scheme and the Business Rate Relief Scheme for Pubs, which were also announced by the Chancellor at the Spring Budget 2017.
- 5.2 A letter from the Minister for Local Government, Marcus Jones MP, dated 21 July 2017 made it clear that councils are not permitted to "slip" any element of the grant awarded for use in future financial years in order to smooth the impact of any relief granted. Each year's allocation must be spent in the year it relates to.

## 6. Delegated functions

- 6.1 The matters referred to in this report are considered under the following executive function delegated to the Resources Portfolio Holder (as set out in Part 3 of the council's constitution): "To consider National Non-domestic Rating and Council Tax matters"

<b>Financial and legal implications</b>	
Finance	Central government have provided a Section 31 grant to allow local authorities to determine those businesses most adversely affected by the April 2017 business rates revaluation and issue them with a relief to mitigate the financial hardship caused. There is no impact on the council's budget as the relief will be capped at the maximum grant paid out by central government in each financial year.
Legal	The Council can deliver the scheme through the discretionary relief powers under section 47 of the Local Government Finance Act 1988, as amended.

### **Other risks/implications: checklist**

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

<b>risks/implications</b>	<b>✓ / x</b>
community safety	<b>x</b>
equality and diversity	<b>x</b>
sustainability	<b>x</b>
health and safety	<b>x</b>

<b>risks/implications</b>	<b>✓ / x</b>
asset management	<b>x</b>
climate change	<b>x</b>
data protection	<b>✓</b>

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<b>List of background papers:</b>		
name of document	date	where available for inspection
None		

### **List of appendices**

Appendix A - Local Discretionary Business Rate Relief Scheme

arm/ph/re/cr/17/0009pm2

# **Local Discretionary Business Rate Relief Scheme for the Period from 2017/18 to 2020/21**

## **1. Introduction**

**1.1** In the March 2017 budget the Government announced a £300 million fund over four years to support those businesses that face the steepest increases in their business rates as a result of the 2017 business rate revaluation. The fund is split into yearly allocations:

2017/18 - £175 million

2018/19 - £85 million

2019/20 - £35 million

2020/21 - £5 million

**1.2** The funding allocated to each LA has been determined by calculating the total increase in bills (excluding transitional and other reliefs) for every property in the country (England) where:

- The rateable value of the property is less than £200k
- The increase in the 2017/18 bill is more than 12.5%

**1.3** Wyre Council has been allocated a maximum of £164,266 in 2017/18, £79,786 in 2018/19, £32,853 in 2019/20 and £4,693 in 2020/21.

**1.4** The Government expects LA's to target relief to those local businesses or areas facing the most significant increases in bills

**1.5** This document sets out the Council's proposals for a local discretionary business rate relief scheme for the financial years 2017/18, 2018/19, 2019/20 and 2020/21 taking into account the Governments expectations.

**1.6** The proposed scheme also takes into account the Supporting Small Businesses and Pub Relief schemes, which were also announced in the 2017 Spring Budget.

## **2. The Revaluation 2017 Local Discretionary Business Rate Relief Scheme**

**2.1** The Revaluation 2017 Local Discretionary Business Rate Relief Scheme will apply for the years 2017/18, 2018/19, 2019/20 and 2020/21 only. Under the scheme relief will only be provided where an eligible ratepayer's bill has increased as a result of the 2017 revaluation. Increases for any other reason will not qualify for this relief.

**2.2** Where an eligible ratepayer's 2017/18 rates bill is reduced for any reason, the amount of their relief will be reduced or removed accordingly.

**2.3** Where an eligible ratepayer's 2016/17 rates bill is increased for any reason, the amount of their relief will be reduced or removed accordingly.

- 2.4 Eligible ratepayers who may benefit from the Scheme will be in occupation of a property with a rateable value of less than £200,000.
  - 2.5 Local discretionary business rate relief is calculated after any or all Transitional Relief/surcharge, exemptions and reliefs have been applied.
  - 2.6 Eligible ratepayers, whose bills have increased as a result of the revaluation, will receive up to 100% relief in 2017/18.
  - 2.7 Subject to any further changes to the scheme, relief granted in 2018/19 and 2019/20 will be proportionate to the original grant allocation in 2017/18 taking into account the reducing awards i.e. approximately 50% and 20% respectively of the monetary value of the 2017/18 award. The award will not be automatic but subject to a review of any change in circumstances. As the amount of grant awarded in 2020/21 is £4,693 which is less than 3% of the original 2017/18 value of £164,266, a determination will be made nearer the time as to the most effective use of this sum.
- 3. Exclusions - For properties where any of the following apply, the ratepayer will not be eligible for Revaluation 2017 local discretionary business rate relief:**
- 3.1 Ratepayers occupying properties after 1 April 2017.
  - 3.2 Properties which were not on the rating list at 1 April 2017. (Relief will not apply where properties are entered into the list retrospectively.)
  - 3.3 Properties which are unoccupied.
  - 3.4 Financial services (e.g. banks, building societies, cash points, betting shops, pawn brokers, payday lenders), other services (e.g. estate agents, letting agents, employment agencies), medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors, pharmacies), and professional services (e.g. solicitors, accountants, insurance agents, financial advisors, tutors).
  - 3.5 Organisations excluded from being granted Discretionary Rate Relief e.g. major preceptors.
  - 3.6 Businesses in breach of any council licensing or planning conditions in respect of their premises or land.
  - 3.7 Where the award of relief would not comply with EU law on State Aid i.e. that businesses have not received any other State Aid that exceeds in total €200,000, including any other rates relief (other than exemptions, transitional or mandatory reliefs) other than this relief, under the De Minimis Regulations EC 1407/2013. Businesses will be expected to declare their status if they have been in receipt of State Aid and have exceeded the allowable amount.
- Further information on State Aid law can be found at <https://www.gov.uk/state-aid>.

**4. Award of relief**

**4.1** Awards of relief will be made automatically to eligible ratepayers, subject to an annual review of circumstances.

**5. Review**

**5.1** This scheme will be reviewed each year.