

Business Rates Discretionary Rate Relief Scheme

Final Decision-Maker	Policy and Resources Committee
Lead Head of Service/Lead Director	Stephen McGinnes, Mid Kent Services Director
Lead Officer and Report Author	Sheila Coburn, Head of Revenues and Benefits Shared Service
Classification	Public
Wards affected	All

Executive Summary

The Government awarded 4 years of funding to councils in 2017-18 to award Discretionary Rate Relief to ratepayers adversely affected by the 2017 revaluation.

Each council needed to approve a policy for the distribution of the funding.

On the 20th September 2017 a policy was approved by Policy and Resources Committee for distribution of the funding in 2017-2018.

This report makes proposals for the distribution of the funding for the 3 subsequent years from 2018-19.

This report makes the following recommendations to this Committee:

1. That delegated authority is given to the Head of Revenues and Benefits to distribute the funding as set out in Option 2 (Section 3) for 2018-2019 and subsequent years.

Timetable

Meeting	Date
Corporate Leadership Team	19 June 2018
Policy and Resources Committee	27 June 2018

Business Rates – Discretionary Rate Relief Scheme

1. INTRODUCTION AND BACKGROUND

- 1.1 In March 2017, Central Government announced that it would make available a £300million discretionary fund to support those businesses that faced the steepest increases in their Business Rates bill as a result of the 2017 revaluation.
- 1.2 It was left to councils to determine how this fund should be targeted and administered to support those businesses and locations within their area that were in the greatest need.
- 1.3 At the Policy and Resources Committee on 20 September 2017, it was agreed that authority was delegated to the Head of Revenues and Benefits to finalise and implement the agreed scheme for 2017-2018.
- 1.4 The funding available for 2017-2018 was £287,000 and the scheme awarded 80% relief of the increase in Business Rates to businesses with a rateable value less than £100,000. The number of businesses that benefitted from the funding was 271.
- 1.5 The number that benefitted was higher than we originally thought would qualify. However, the amount of relief that was awarded in total was £175,000. The reason for this was the increases as a result of 2017 revaluation were not as significant as the Government had anticipated.
- 1.6 The funding for 2018-2019 and subsequent years reduces considerably.

2017-2018	2018-2019	2019-2020	2020-2021
£287,000	£140,000	£57,000	8,000

- 1.7 It is proposed that relief for 2018-2019 and subsequent years is awarded to those businesses that qualified in 2017-2018 without any applications being made, to avoid any delays.
- 1.8 It is proposed that the reduced relief available is apportioned and awarded on a percentage basis of the relief awarded in 2017/18.

2. AVAILABLE OPTIONS

- 2.1 Option 1 – do nothing – there is no requirement for the Council to introduce a scheme to make such awards. However, local businesses would fail to benefit from the funding made available by Government.
- 2.2 Option 2 – Award relief on a percentage basis to those businesses who

qualified for relief in 2017-2018.

- 2.3 Option 3 – Consider awarding relief at a maximum value. However, this would be detrimental to businesses that have a larger rate liability.
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3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 3.1 Option 2 is the preferred option as this provides a consistent approach in the awarding of relief, with the majority of businesses benefitting from some amount of relief.
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4. RISK

- 4.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy.
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5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 There was a statutory duty to consult with major preceptors on the original scheme and this was carried out in 2017.
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6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 Information on the council's website will be updated for the awarding of relief for 2018-2019 and subsequent years.
- 6.2 Eligible businesses will automatically be awarded relief without having to make an application.
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7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The proposed scheme will help secure a successful economy by providing help to businesses adversely affected by 2017 revaluation.	Sheila Coburn Head of Revenues and Benefits

Risk Management	<p>The risks associated with implementing and operating the scheme are considered low.</p> <p>Endorsement of a corporate scheme helps reduce the risk</p>	<p>Sheila Coburn Head of Revenues and Benefits</p>
Financial	<p>The council is to receive funding to compensate for the cost of the scheme.</p> <p>New burdens funding has been provided to meet the cost of administration</p>	<p>[Section 151 Officer & Finance Team]</p>
Staffing	<p>The scheme will be operated within existing resources</p>	<p>Sheila Coburn Head of Revenues and Benefits</p>
Legal	<p>The powers to operate such a scheme are provided by Section 47, Local Government Act 1988</p>	<p>Keith Trowell, Interim Team Leader (Corporate Governance)</p>
Privacy and Data Protection	<p>Accepting the recommendations will increase the volume of data held by the Council. The data will be held and processed in accordance with the data protection principles contained in Schedule 1 to the Data Protection Act 1998.</p>	<p>Keith Trowell, Interim Team Leader (Corporate Governance)</p>
Equalities	<p>The scheme itself does not impact on those with protected characteristics.</p> <p>However, consideration should be given when implementing the scheme in terms of ensuring that it can be accessed by hard to reach groups.</p>	<p>[Policy & Information Manager]</p>
Crime and Disorder	<p>No impact</p>	<p>Sheila Coburn Head of Revenues and Benefits</p>

Procurement	No impact	Sheila Coburn Head of Revenues and Benefits
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8. REPORT APPENDICES

- Appendix 1: Discretionary Rate Relief Scheme MBC
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9. BACKGROUND PAPERS

Policy and Resources report 20 September 2017

<https://meetings.maidstone.gov.uk/documents/s56966/Discretionary%20Business%20Rate%20Relief%20Scheme.html?CT=2>

Discretionary Rate Relief scheme 2017-18

<https://meetings.maidstone.gov.uk/documents/s56949/Appendix%20I%20Discretionary%20Relief%20Scheme.html?CT=2>