


“A” item

	REPORT TO CABINET TO BE HELD ON 12 JULY 2016	
	Key Decision	No
	Forward Plan Ref No	3
Corporate Priority – Prosperity and Council	Cabinet Portfolio Holder	Cllr. Helen Mallory

REPORT OF THE DIRECTOR (NE) – 16/156

WARDS AFFECTED: ALL

SUBJECT: UPDATED POLICIES ON THE GRANTING OF BUSINESS RATE RELIEFS

RECOMMENDATION (S):

Cabinet is recommended to request that full Council :

- i) Approve the amalgamated policy for the granting of Business Rate reliefs.
- ii) Approve in principal the future granting of Discretionary Rate Relief for publicly owned public conveniences from April 2018

and
- iii) Note the recommendations for the future review of the Discretionary Rate Relief Policy for Charities and Non-Profit making organisations.

REASON FOR RECOMMENDATION(S):

To provide an updated policy for the granting of Business Rate reliefs to include all the areas of discretion currently available to the Council and to provide for the future review of these.

HIGHLIGHTED RISKS:

If current policies are not reviewed there is increased risk that the Council could be challenged for not considering claims for reductions in Business Rate liability where there exists the legislation for such claims to be received. By not having a recognised procedure for considering such claims there is the risk that the Council

cannot demonstrate the fair assessment of all applications. New applications for Business Rate reliefs which are granted increase the overall cost to the Council and although it is not possible to restrict the amount of relief on the grounds of a budget being exceeded it is a risk that the overall Council budget could be affected.

1. INTRODUCTION

- 1.1 The Local Government Finance Act 1988 (section 47 and 49) confers a number of discretionary powers on Councils to grant Business Rate reliefs.
- 1.2 Section 69 of the Localism Act 2011 amended section 47 of the Local Government Finance Act 1988 to allow Councils to grant discretionary relief in extended circumstances.

2. CORPORATE AIMS/PRIORITIES AND THE COMMUNITY PLAN

- 2.1 Business Rate Reliefs support two of the Council's key aims of 'Prosperity – to develop a prosperous and innovative Borough, with a highly skilled and aspirational workforce' and 'Council – to be an efficient and effective council which is financially sustainable for the future'.

3. BACKGROUND AND ISSUES

- 3.1 The proposed Business Rates policy document is attached. This document summarises all the Business Rate reliefs available along with the application, award and appeal processes and the state aid rules in place. The paragraphs below summarise any amendments to the Policies compared to those previously reported and approved by members.
- 3.2 Appendix A to the Business Rates policy document – Discretionary Rate Relief for Charities and Non-Profit making organisations: It is clarified that the policy originally adopted on 18 November 2008 for the administration of these reliefs is guidance only and that each claim will be considered on its own merits.
- 3.3 It is intended to undertake a full review of the Discretionary Rate relief for Charities and Non-Profit making organisations policy with any changes to take affect from 1 April 2018. In order to amend the relief currently granted one financial year's notice is required and will be given to all organisations currently in receipt of relief before 31 March 2017. Any changes proposed to the Policy will be reported back to Members for approval.
- 3.4 Appendix B to the Business Rates policy document – Business Rates Discretionary Hardship Relief Scheme: Amended to reflect the actual wording from section 49 of Local Government Finance Act 1988 and the list of possible considerations has been extended.
- 3.5 Appendix C to the Business Rates policy document – Local Discretionary Business Rate Discounts: This policy was originally approved by Cabinet on 16 February 2016 and only minor amendments have been made to clarify the period of awards.

- 3.6 Appendix D to the Business Rates policy document – Rural Rate Relief Policy: This is a new policy document though the Mandatory and Discretionary rural rate relief has always been granted and considered in accordance with the Business Rate legislation.
- 3.7 Appendix E to the Business Rates policy document – Transitional Relief Discretionary Scheme: There are no changes to policy as approved by Council on 27 February 2015.
- 3.8 Although not currently included in the policy the Government did commit to legislate to enable local authorities to use their existing discretionary relief powers to support publicly owned public toilets from 1 April 2018. Support for awarding Discretionary Relief in these circumstances is sought in principle for when further details are released.

4. CONSULTATION

- 4.1 As part of the full review of the Discretionary Rate relief for Charities and Non-Profit making organisations policy as described at 3.3 a full consultation will be undertaken.

5. ASSESSMENT

- 5.1 Approval of the amalgamated policy for the granting of Business Rate reliefs ensures information relating to all discretionary rate reliefs available to Business Rate payers is available in one document and provides a standard approach to the application, decision making and review process.
- 5.2 The approval in principle of the future granting of Discretionary Rate Relief for publicly owned public conveniences from April 2018 provides bodies looking to take on the responsibility of operating Council owned public conveniences with the reassurance that they will be awarded full business rates relief on those properties, if the government puts in place the legislation to allow the Council to grant it.
- 5.3 Approval for the future review of the Discretionary Rate Relief Policy for Charities and Non-Profit making organisations enables adequate notice to be served on all current recipients of the discretionary rate relief to enable changes to be made to the level of relief granted if appropriate from 1 April 2018.

6. IMPLICATIONS

6.1 Policy

The recommended policy amalgamates a number of existing and new policies in relation to the granting of discretionary Business Rate reliefs.

6.2 Legal

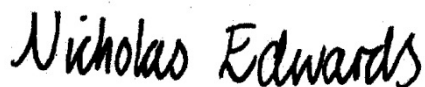
The policy and protocol for the consideration of applications and the decision making process, which will be applied to all applicants, is transparent, fair and accords with Government guidance. The process also provides unsuccessful applicants with an appeal mechanism. Any challenge to the decision of the Appeals Panel would be by way of judicial review in the High Court.

6.3 Financial Implications

Due to the unknown quantity of new applications that may be submitted it is possible that there may be financial implications in that the cost to the council of awarding discretionary rate relief may increase. As the key criteria for awarding the reliefs has not changed within the attached Policy this risk will not increase as a result of approving it.

6.4 Staffing Implications, Planning Implications, Crime and Disorder, Health & Safety and Environmental Implications

No specific implications.



Nicholas Edwards
Director

Author: Sherri Williamson, Local Taxation Manager
Telephone No: 01723 232379
e-mail address: Sherri.Williamson@scarborough.gov.uk