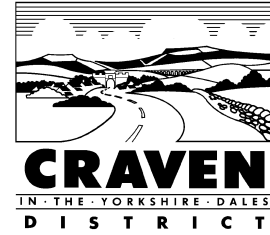


Policy Committee – 11th September 2017

Discretionary Business Rates relief schemes announced in Spring Budget.



Chief Finance Officer

Lead Member: Financial Resilience – Councillor Mulligan

Presenting Officer – Revenues and Benefits Manager

Ward(s) affected: All

1 Purpose of Report –

- 1.1 This report sets out a proposal for a Craven District Council Business Rates Revaluation Relief Scheme to support businesses that face the steepest increases in their business rates bills as a result of the 2017 Business Rate revaluation. There is an additional provision for charities run entirely by volunteers that are considered to be the most hard-pressed financially and those that have had a reduction in rural relief.
- 1.2 The report also considers other discretionary business support schemes that the Government intends to introduce.

2 Recommendations – Members are recommended to:-

- 2.1 Agree the proposed Craven DC Business Rates Revaluation Relief Scheme (appendix 1) subject to consultation.
- 2.2 Authorise the Chief Finance Officer to make further amendments and implement the scheme in in consultation with the Lead Member.

3 Background

- 3.1 The Valuation Office Agency has recently completed a revaluation of all Non Domestic properties and the new rateable values, based on rental values at 1 April 2015, are effective from 1 April 2017. The revaluation will affect the amount of business rates many businesses across the Craven District will have to pay.
- 3.2 Whilst most Craven ratepayers will be paying less overall in business rates because of the revaluation, there are still a significant number that individually have seen an increase.
- 3.3 The Government announced that funding for a number of different support schemes would be made available to mitigate the impact on businesses. In particular the Government will make available a discretionary fund of £300 million over four years from 2017-18 to support those businesses that face the steepest increases in their business rates bills as a result of the revaluation.

Cravens share is £166,000 in 2017/18, £81,000 in 2018/19, £33,000 in 2019/20 and £5,000 in 2020/21. The grant will be paid to authorities in four equal instalments for 2017/18, quarterly in arrears.

- 3.4 The Government intends Council's to use their existing discretionary powers to award this relief.
- 3.5 The Government has made it clear that the additional funding identified by the Chancellor to support businesses should only support smaller ratepayers who are facing an increase in their bills following the 2017 revaluation and considered the most hard pressed.
- 3.6 The Government has also announced its intention to provide funding for a further two discretionary relief schemes; Supporting Small Businesses Relief and Support for Pubs.

The Supporting Small Businesses Relief (SSBR) scheme will support Rate Payers that have lost some or all of their Small Business Rate relief or Rural Rate Relief as a result of the Rateable Value changes. Those facing large increases will be supported to the following by whichever is greater;

£600 per year (£50 per month) or

The matching cap on increases for small properties in the TR scheme (5%). 6 businesses have been identified as potentially entitled to this relief which will be awarded shortly.

The Support for Pubs scheme will provide for a £1,000 discount for properties, with a rateable value under £100,000, in 2017/18. 60 Pubs have been awarded relief under this scheme.

4 Caseload and expenditure

- 4.1 Modelling suggest that the government funding will be sufficient to cover the cost of the proposed scheme. However, this is dependent on the assumptions about those organisations that will not qualify because of the state-aid provision.

If the proposed scheme is accepted 215 businesses and 61 charities run by volunteers have been identified as eligible rate payers.

5 Impact of the changes

No financial impact for the authority because this is funded by Central Government. The scheme includes a condition that relief expenditure cannot exceed the amount of the grant awarded, £166,000 for 2017/18.

6 Future changes beyond 2017/18

Funding has been granted for 4 years as detailed in 3.3.

7 Financial and Value for Money (vfm) Implications

The authorisation of use of this discretion is an efficient option to support businesses and enhance Enterprising Craven. A total of £285,000 of grant is available to Craven DC over the four years from 2017/18 to 2020/21 to fund the scheme.

8 Legal Implications

The Local Government Finance Act 1988, section 47, provides the statutory authority to provide discretionary rate relief and section 49 provides for a hardship relief.

9 Contribution to Council Priorities –

Contributes to Enterprising Craven.

10 Risk Management –

Minimal risks are anticipated. Potential recipients of the reliefs will be identified from existing records. If any businesses are omitted there will be a manual application process available. There is no financial risk to Craven DC because the scheme includes a condition that relief expenditure cannot exceed the amount of the grant.

11 Equality Analysis –

There are no equality issues.

12 Consultations with Others –

Consultation has already been conducted by Central Government however there is also a desire for additional consultation on a local level, including with any major precepting authority. This will take place during September and October 2017.

Author of the Report – David Carré – Revenues and Benefits Manager
dcarre@cravendc.gov.uk telephone 01756 706482

Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.

Appendices

1. The proposed policy.