

Report to: **Overview & Scrutiny**
Date: **24th August 2017**
Title: **Business Rates – Locally Administered Business Rate Relief Policy**
Portfolio Area: **Cllr Bastone**
Wards Affected: **all**
Relevant Scrutiny Committee:

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:

Author: **Steve Henstock** Role: **Revenues Specialist**

Contact: **Steve.Henstock@swdevon.gov.uk**

Recommendations:

1. That Overview & Scrutiny **RECOMMEND** to Executive, that following consultation with Devon County Council, Devon & Cornwall Police & Devon & Somerset Fire Rescue the Locally Administered Business Rate Relief Policy be adopted

1. Executive summary

1.1 Members are asked to consider and recommend the policy (Appendix 1) to administer the 4 year funding agreement, awarded by central Government to support those who have seen an increase in their rates bill due to the 2017 revaluation exercise.

2. Background

2.2 As a result of the 2017 revaluation exercise, Central Government allocated £300m over 4 years to help those who saw an increase in their rates bill. In South Hams the annual awards are as follows:

- 2017/18 - £307k
- 2018/19 - £149k
- 2019/20 - £61k

- 2020/21 - £9k

- 2.4 There are some conditions to the grant which can be found at point 1.3 of Appendix 1 – the locally administered Business Rate Relief Policy.
- 2.5 The policy proposes to divide funding in to two separate funds. A lump sum payment to businesses that have seen an increase in their rates bill after all reliefs have been taken into account. The criteria of this award can be found at 2.2 of Appendix 1 – The Policy. The second fund concerns discretionary awards for those businesses regardless of their eligibility for the lump sum payment. These applications will be considered by the Leader in the already existing arrangement to award discretionary rate relief and must meet criteria set out in Appendix 1, 2.4 – The Policy.
- 2.6 The scheme will be reviewed by the end of December 2017 to ensure the scheme is delivering on the intended outputs.

3. Outcomes/outputs

- 3.1 It is intended to adopt this policy as soon as possible in order that the scheme can be advertised and applications considered. This will ensure that delays are kept to a minimum.

4. Options available and consideration of risk

- 4.1 The Government will fully fund SHDC and the other preceptor Authorities their share of lost income from the awards through a grant.
- 4.2 Any relief awarded above the grant will not receive Government funding, so it is imperative the fund is closely monitored.
- 4.3 All other Devon Authorities are working together to create a common framework to underpin a local policy. This is due in a matter of weeks. We will consider this framework once published and it will form part of the December policy review.

5. Proposed Way Forward

- 5.1 That Members recommend to Executive the adoption of the Locally Administered Business Rate Relief Policy following consultation with the other preceptors.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	Local Government Act 1988, Section 47
Financial	Y	<p>The funding for this scheme has come from central government. The 4 years of annual award are detailed in the background section</p> <p>The funding is to help businesses affected by the revaluation, however Government have agreed an additional £12k in new burdens funding to administer this scheme, the pub relief scheme and the supporting small businesses scheme, with an additional payment due once costs can be established in light of businesses receiving relief under each scheme.</p>
Risk		It is an expectation by central government that each Local Authority will have a scheme in place and be administering awards by the end of June 2017, and all Local Authorities have received a letter from the Minister for Local Government to this effect.
Comprehensive Impact Assessment Implications		
Equality and Diversity		None
Safeguarding		None
Community Safety, Crime and Disorder		None
Health, Safety and Wellbeing		None
Other implications		

Supporting Information

Appendices:

Appendix 1 – Locally Administered Discretionary Rate Relief Policy