

Cherwell District Council

Executive

4 June 2018

<p>Local Discretionary Business Rate Relief Scheme for 2018-19</p>

Report of Executive Director Finance and Governance

This report is public

Purpose of report

To consider the proposed Local Discretionary Relief Policy and to approve the local Discretionary Business Rate Relief Scheme for 2018-2019.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of the report and any financial implications for the Council.
- 1.2 To approve the adoption of the local Discretionary Business Rate Relief Scheme for 2018-2019.

2.0 Introduction

- 2.1 In the Spring Budget 2017 Chancellor announced £300m funding for local councils to help businesses facing an increase in their business rates following the 2017 Revaluation. Any unspent funding will be returned to central government. The total funding for Cherwell for the financial year 2018 -19 is £358,000 a reduction from £736,000 in 2017-2018,
- 2.2 The Government expects billing authorities to use their discretionary powers under section 47 of the Local Government Finance Act to deliver the scheme. Billing authorities will be compensated through a Section 31 grant for the cost to the authority of granting the relief, up to a maximum amount based on the authority's allocation of the £300m fund.
- 2.3 Each authority is required to devise its own Discretionary Relief Scheme.

3.0 Report Details

3.1 The assistance Cherwell District Council is able to offer under the scheme is limited by the funding provided. The funding allocation for Cherwell District Council for the next three years is as follows:

2018-19	2019-20	2020-21
£358,000	£147,000	£21,000

3.2 A copy of the proposed Local Discretionary Business Rate Relief Policy for 2018-2019 is shown at Appendix 1 of this report. Members may recall that, following poor take-up and the subsequent low use of funding, the Policy for 2017-2018 was amended to include changes to the application process, qualifying criteria and the exclusions with the aim of maximising use of the funding. The draft policy for 2018-19 remains unchanged to again maximise the use of funding and to support to local businesses.

3.3 The attached policy outlines the proposed qualifying criteria and exclusions.

3.4 European “State Aid” rules apply to any business rates relief granted.

4.0 Conclusion and Reasons for Recommendations

4.1 Members are asked to note the contents of the report and approve the adoption of the Local Discretionary Business Rates Relief Scheme for 2018-19 attached in Appendix 1.

5.0 Consultation

5.1 This has been discussed with the Lead Member for Financial Management and Governance. The report was circulated to members of Budget Planning Committee.

5.2 It is a requirement of the Local Discretionary Rate Relief Scheme that we consult with major preceptors on the proposed scheme and this consultation is currently underway.

6.0 Alternative Option and Reasons for Rejection

6.1 The following alternative option has been identified and rejected for the reasons given below.

Option 1: Members could choose not to recommend the proposed schemes but in view of the fact that expenditure will be reimbursed the Government expects billing authorities to grant relief to all qualifying ratepayers

7.0 Implications

Financial and Resource Implications

- 7.1 The report sets out the proposed Local Discretionary Relief scheme to provide relief to business ratepayers in properties facing business rates rises as a result of the Revaluation. The local scheme aims to distribute no more than Government funding allocation provided. The Government has announced that it will reimburse councils for the actual cost of relief granted, in accordance with its guidance, through Section 31 grant.

Comments to be checked by:

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Legal Implications

- 7.2 Section 47 of the Local Government Finance Act 1988 and subsequent amending legislation provides the criteria for awarding discretionary rate relief to certain categories of non-domestic ratepayer.
- 7.3 Relief from taxes, including non-domestic rates, can constitute state aid under European Union legislation. There are block exemptions from the state aid rules where the aid is below a de minimis level. The de minimis level applies to all de minimis aid received, including other Government subsidies or grants, in addition to any rate relief given as a de minimis aid. It will be for the Council to ensure that any relief granted does not transgress state aid rules. The de minimis threshold is €200,000 from all sources to the recipient as a whole over a rolling period of three years.

Comments checked by:

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8.0 Decision Information

Key Decision

Financial Threshold Met: No

Community Impact Threshold Met: No
Wards Affected

All

Links to Corporate Plan and Policy Framework

Here to Serve

Lead Councillor

Councillor Tony Ilott, Lead Member for Financial Management and Governance

Document Information

Appendix No	Title
1	Local Discretionary Rate Relief Policy 2018-19
Background Papers	
None	
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