

Committee:	Council	Date: Tuesday, 25 February 2020
Title:	Business Rates Reliefs and Discounts 2020/21	
Portfolio Holder:	Councillor Neil Hargreaves Portfolio Holder for Budget and Finance	
Report Author:	Angela Knight, Assistant Director - Resources aknight@uttlesford.gov.uk	Key decision: N

Summary

1. On 27 January 2020, the Financial Secretary to the Treasury made a Written Ministerial Statement announcing additional business rates measures that will apply from 1 April 2020.
2. The business rates retail discount scheme for occupied retail properties with a rateable value of less than £51,000 will increase from 33% to 50%.
3. A discount of £1,000 will be available to eligible pubs with a rateable value of less than £100,000 in 2020/21.
4. The extension of the £1,500 business rates discount for office space occupied by local newspapers will apply for an additional 5 years, 1 April 2020 to 31 March 2025.
5. Guidance has been provided by the Ministry for Housing, Communities and Local Government regarding the operation and delivery of the reliefs and discounts, this has been attached as Appendix B. The relief must be awarded in accordance with discretionary relief powers contained within the Local Finance Act 1988 (as amended).
6. The retail relief will be awarded automatically to eligible businesses by the Council and this is fully reimbursed via the Section 31 grant.
7. Discretion can be exercised under Section 47 of the Local Government Finance Act 1988 (as amended) (hereinafter "LGFA") in order to operate the above scheme.

Recommendations

8. It is recommended that the Council:
 - Adopts the Business Rates Discretionary Rate Relief/Discount Policy as set out in Appendix A

Financial Implications

9. The Council receives full reimbursement for all reliefs and discounts via a Section 31 grant subject to awards complying with the criteria.

New Burdens Grant will be made available for both software and additional administration costs. We have not yet been advised of the value of any grant to be paid.

Background Papers

10. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

Local Government Finance Act 1988 Section 47
Local Government Act 2003 Section 31
MHCLG – Business Rates Retail Discount Guidance
State Aid in accordance with the De Minimis Regulations (1407/2013);
(Subject to potential changes following EU Exit).

Impact

Communication/Consultation	Billing authority will be expected to have clear arrangements for communicating and awarding the reliefs and discounts.
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	Administered in accordance with discretionary relief powers contained within the Local Finance Act 1988 (as amended) State Aid – It's important that any qualifying ratepayer is checked to ensure no other state aid is being received by the recipient
Sustainability	N/A
Ward-specific impacts	N/A
Workforce/Workplace	N/A

Situation

11. Full details of all business rates reliefs and discounts can be found in the Business Rates Reliefs and Discounts Policy attached as Appendix A. This includes the new and extended reliefs.
12. The Retail Relief was introduced to support Town Centre high streets as they evolve during a period where customer shopping habits have shifted to online purchases. This was introduced as a two year scheme in 2019/20 and applies to retail businesses with a rateable value of less than £51,000. For 2020/21 the relief has been increased from 33% to 50%.
13. Pub discount of £1,000 has been reintroduced for 2020/21 and is available to pubs with a rateable value of less than £100,000.
14. The Local Newspaper relief of £1,500 was due to end on 31 March 2020 and has now been extended until the 31 March 2025. This relief is only awarded for newspapers occupying office space.
15. The three new reliefs/discounts are to provide additional support to local businesses and will be awarded after taking account of all other mandatory and discretionary reliefs available, for example Small Business Rates Relief and Supporting Small Business Rates Reliefs.
16. All of the discretionary reliefs/discounts are fully reimbursed via the Section 31 grant.
17. Guidance has been provided by the Ministry of Housing, Communities and Local Government regarding the operation and delivery of the reliefs and discounts, these have been attached as Appendix B and C. The relief must be awarded in accordance with discretionary relief powers contained within the Local Finance Act 1988 (as amended)

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Reliefs awarded do not qualify for Section 31 grant	1	3	All reliefs and discounts are assessed and awarded in line with Government Guidance
Resources are not available to implement the scheme	1	2	An operational plan is in place to implement scheme and advise qualifying ratepayers
Software resource is not provided by Councils system provider (Northgate)	2	3	The software providers are currently working on the system requirements

- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.