

Subject:	Discretionary NNDR Relief (2018 Budget Measures)	Status:	For Publication
Report to:	Cabinet	Date:	13 th February 2019
Report of:	Head of Finance & Property Services	Portfolio Holder:	Resources
Key Decision:	<input type="checkbox"/> Forward Plan <input type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	No	Attached: No
Biodiversity Impact Assessment	Required:	No	Attached: No
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1.	RECOMMENDATIONS
1.1	Members are recommended to approve the application of Business rate relief to retail premises with a rateable value of less than £51,000 in line with the criteria outlined by Central Government. All cases in which relief awards will be fully funded by Government grant.
1.2	Members are recommended to approve delegated authority for future discretionary schemes of relief to the Portfolio Holder for Resources in conjunction with the s151 Officer for cases in which Central Government both defines the parameters of relief schemes and fully funds awards made locally.

2. PURPOSE OF REPORT

- 2.1 The purpose of the report is to formally adopt changes in the criteria for the award of National Non-Domestic Rates (NNDR/Business Rates) relief. Following the 2018 Budget, Government has made available funding for 33% relief to be awarded for retail premises with a rateable value of less than £51,000 for the 2019/20 and 2020/21 charge years.
- 2.2 Central Government has laid out guidance relating to the circumstances in which they anticipate that the relief will be granted. Despite this guidance, awards will be made under the regulations relating to discretionary relief. Awards are therefore technically a matter of local discretion and represent a change to Council policy.
- 2.3 It is proposed that awards be made to the affected businesses automatically at annual billing or as soon as is practicably possible thereafter.
- 2.4 Government guidance on the definition of 'retail' has been set out (see background papers), but to briefly summarise it includes:

Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc.)

Charity shops, opticians, Post Offices, furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors), car/caravan show rooms, second hand car lots, markets, petrol stations, garden centres, art galleries (where art is for sale/hire).

Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops, etc.)
 Shoe repairs/key cutting, travel agents, ticket offices, dry cleaners, laundrettes, PC/TV/ domestic appliance repair, funeral directors, photo processing, tool hire, car hire, restaurants, takeaways, sandwich shops, coffee shops, pubs, bars.

2.5 Government does not envisage that relief will be awarded in the following cases:

Financial services (e.g. banks, building societies, cash points, bureaux de change, payday lenders, betting shops, pawn brokers)

Other services (e.g. estate agents, letting agents, employment agencies)

Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)

Professional services (e.g. solicitors, accountants, insurance agents/financial advisers, tutors)

Post Office sorting offices

2.6 This relief is to be awarded after any other mandatory relief awards; i.e. 1/3rd of the net amount payable after, for example, small business rate relief.

2.7 Awards will be subject to the period of notice for variations of discretionary awards as set out in The Non-Domestic Rating (Discretionary Relief) Regulations 1989 (S.I. 1989/1059). That is to say that minimum notice of 12 months would be required for changes to entitlement. At the outset of the scheme, liable parties will be notified that the relief to be awarded is for a fixed period of 2 years only; this will meet the requirement for at least 12 months' notice. However if, at a future date, Rossendale Borough Council chose to withdraw or vary relief granted under this initiative, then affected customers would be entitled to the minimum 12 months' notice of that change.

2.8 In recent years, central government has introduced a number of initiatives, usually time limited, to award rate relief to businesses. Rather than amending legislation, these schemes have typically been defined by central government, but awarded under local discretionary powers.

2.9 It is proposed that any similar future schemes which represent a de facto change to local discretionary policy, may be authorised by the s151 Officer in conjunction with the Portfolio Holder for resources.

In order for this delegated authority to apply, the following criteria should be met:

- The costs of awarding the relief are wholly met by Central Government
- Criteria for awards of relief are set out by Central Government

Delegated authority would not apply where funding is made available but the criteria for awards are left to be determined locally. In such cases the relevant consultation and decision making will proceed in accordance with standing orders.

3. CORPORATE PRIORITIES

3.1 **A connected and successful Rossendale that welcomes sustainable growth:** our priority is to ensure that we are well connected to our residents, key partners and stakeholders. We want to make the most of every pound we spend and we are always looking for new and innovative ways to make the resources we do have, work harder for us.

A proud, healthy and vibrant Rossendale: our priority is to ensure that we are creating and maintaining a healthy and vibrant place for people to live and visit.

4. RISK ASSESSMENT IMPLICATIONS

4.1 The adoption of this policy ensures that authority is contained within the Council's discretionary scheme with resources funded by Central Government.

5. BACKGROUND AND OPTIONS

5.1 As part of the budget, on 29th October 2018 the Government announced changes in entitlement to rate relief. One such change related to rate relief for public toilets and this will be introduced through primary legislation. The other related to a scheme of retail relief to be introduced through local discretionary powers.

5.2 Awards will be made on a discretionary basis, therefore the Council is free to:

- Make awards as outlined by Central Government
- Choose not to make any awards of relief and not to take advantage of the available funding

5.3 All awards will be subject to state aid rules. Unlike small business rate relief, these awards are not limited to occupier of single premises; subject to state aid, businesses operating from more than one location will be eligible at each location.

5.4 An initial review of the non-domestic caseload suggests that approximately 70 businesses will benefit from the relief with around £213k awarded. As noted at 1.1 these awards are fully funded by Central Government.

COMMENTS FROM STATUTORY OFFICERS:

6. SECTION 151 OFFICER

6.1 Financial matters are noted in the report.

7. MONITORING OFFICER

7.1 There are no legal or constitutional matters to note.

8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT

8.1 Policy changes are noted in the report.

9. CONCLUSION

9.1 The additional funding will enable reductions in NNDR to be made. Adopting the relief scheme as outlined by Government will mean that awards can be made at the earliest possible opportunity and that there is no cost to local residents.

Background Papers

Document	Place of Inspection
Government Guidance on Relief Awards	https://www.gov.uk/government/publications/business-rates-retail-discount-guidance