Full Council	Thursday, 22 February 2018	Matter for Information and Decision

Title: **Business Rates: Discretionary Relief Further to Revaluation (2nd Year)**

Author(s): **Chris Raymakers (Head of Finance, Revenues & Benefits)**

1. Introduction

1.1 In the Spring Budget held on 8 March 2017, the Chancellor announced that the Government would 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 effective from 1 April 2017.

1.2 The Government stated that "local government is best placed to determine how this fund should be targeted and administered to support those businesses and locations within their area that are in the greatest need".

1.3 The Scheme for the 2017/18 year for Oadby and Wigston was decided by Council on 5 September 2017. This report sets out the proposed Scheme for the 2018/19 year.

2. Recommendation(s)

2.1. That Council approves the Scheme (as set out in the report).

2.2 That Council delegates authority to the Director of Finance & Transformation Section 151 Officer to make minor changes to the Scheme to maximise any surplus of the fund available after the initial distribution.

3. Information

3.1. All billing authorities have been allocated a proportion of this fund, and the total "pot" available to Oadby & Wigston ratepayers is as follows:

Year	(£)
For 2017/18	120,000
For 2018/19	58,000
For 2019/20	24,000
For 2020/21	3,000
Total	205,000

3.2. For 2017/18, the Scheme adopted was to use the funding as follows:

Compare net liability for 2016/17 year with net liability (i.e., reduced by transitional relief) for 2017/18 year

"Small" properties	Rateable Value (RV) up to	Increase limited to total of 3%	£22,700 award

	£20,000		
“Medium” properties	RV £20,001 to £100,000	Increase limited to total of 5%	£75,500 award
“Large” properties	RV £100,001 and above	Increase limited to total of 35%	£16,200 award
		Total awarded	£114,400

This would leave a contingency to cover changes in liabilities and RVs.

3.3. After the initial awards, it was apparent that only approximately half of the grant had been used. This is due to many national and multinational businesses not claiming the potential relief to which they would be eligible as they would exceed the De Minimis threshold of how much State Aid which they could receive under EU law (200,000 EUR in a three year period). Many other local authorities experienced a similar situation.

3.4. The Government have confirmed that any unused grant cannot be transferred forward to next year and must be returned if not used.

3.5. The figures were looked at again and, discounting those businesses mentioned above who have not claimed this relief, there was sufficient funding to ensure all eligible ratepayers with a rateable value of up to £100,000 could have additional relief which would mean they faced no increase at all for the 2017/18 year. This would use all of the funding and this change to the original scheme was adopted by delegated authority which had been given to the Section 151 Officer in consultation with the Chair of Policy, Finance and Development Committee.

3.6. The funding provided by the Government for the 2018/19 year is approximately half of that which was provided for the 2017/18 year. It is therefore proposed that awards are made for 2018/19 to ratepayers at the rate of half of the amount which they received for 2017/18.

3.7. The Council’s original 2017/18 scheme precluded new occupiers of properties from a date after 1 April 2017 from qualifying for this relief, on the basis that they would have been expected to have considered the level of rates before taking on a new property. The proposed 2018/19 scheme will therefore continue to help those ratepayers who experienced the increase in charges as a result of the revaluation on 1 April 2017.

Background Documents:

Report to Council 05 September 2017

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Implications | Business Rates: Discretionary Relief Further to Revaluation (2nd Year)	
Finance **Chris Raymakers** (Head of Finance, Revenues and Benefits)	The financial implications are as set out in the report.
Legal **David Gill** (Head of Law & Governance / Monitoring Officer)	The report is satisfactory.
Corporate Risk(s) (CR) **Chris Raymakers** (Head of Finance, Revenues and Benefits)	☒ **Reputation Damage (CR4)** Not distributing this grant effectively would cause potential reputational damage to the authority. ☒ **Economy/Regeneration (CR9)** This grant will assist businesses during the transition period and sustain the local economy.
Corporate Priorities (CP) **Chris Raymakers** (Head of Finance, Revenues and Benefits)	☒ **Balanced Economic Development (CP3)** This grant will assist businesses during the transition period and sustain the local economy.
Vision & Values (V) **Chris Raymakers** (Head of Finance, Revenues and Benefits)	☒ **Customer Focus (V5)** Prompt delivery of the grant is good for local business.
Equalities & Equality Assessment(s) (EA)	There are no equalities implications arising from this report.
Chris Raymakers (Head of Finance, Revenues and Benefits)	☒ **Not Applicable (EA)**