



EAST STAFFORDSHIRE BOROUGH COUNCIL

REPORT COVER SHEET

Title of Report:	Business Rates Retail Discount Policy
Meeting of:	CAB
Date:	18 th February 2019
Is this an Executive Decision:	NO
Is this a Key Decision:	NO
Is the Report Confidential:	NO
If so, please state relevant paragraph from Schedule 12A LGA 1972:	n/a
<p>Essential Signatories:</p> <p>ALL REPORTS MUST BE IN THE NAME OF A HEAD OF SERVICE</p> <p>Monitoring Officer: Angela Wakefield</p> <p>Date Signature</p> <p>Chief Finance Officer: Sal Khan</p> <p>Date Signature</p>	

EAST STAFFORDSHIRE BOROUGH COUNCIL

Report to Cabinet

Date: 18th February 2019

REPORT TITLE: Business Rates Retail Discount Policy

PORTFOLIO: Housing & Homelessness

HEAD OF SERVICE: Sal Khan

CONTACT OFFICER: Sarah Richardson Ext. No. x1716

WARD(S) AFFECTED: None

1. Purpose of the Report

1.1. To approve the Business Rates Retail Discount Policy.

2. Executive Summary

2.1. The Business Rates Retail Discount Policy covers the award of Business Rates Retail Discount for occupied retail properties in each of the years 2019/20 and 2020/21. East Staffordshire Borough Council is required to grant the relief under its discretionary powers, and the policy is designed to set out a framework for the discretionary award.

3. Background

3.1. Business Rates Retail Discount was announced by the Chancellor in the Budget on 29th October 2018.

4. Contribution to Corporate Priorities

4.1. Business Rates collection is a primary source of revenue to the Council and therefore underpins all Corporate Priorities.

5. **Report**

- 5.1. Members may recall the Retail Relief implemented by the Council in 2014/15 and 2015/16 following a similar announcement by the Government in December 2013.
- 5.2. The relief awarded to occupied properties with a rateable value of £50,000 or less for 2014/15 was £1,000. For 2015/16 the relief award was increased to £1,500. In both years, the Government funded all Local Authorities for the amounts of Retail Relief awarded through a Section 31 Grant.
- 5.3. The Government has decided to introduce a similar relief, called Business Rates Retail Discount, which follows the same principles as the previous Retail Relief but with two changes:
- 5.3.1. The discount can be awarded to occupied retail properties with a rateable value of under £51,000; and
- 5.3.2. The total amount of government-funded relief for each property for 2019/20 and 2020/21 is one third of the bill, after mandatory and other discretionary reliefs funded by section 31 grants have been applied (excluding where the Council has awarded Hardship Relief under its powers under section 47).
- 5.4. The policy attached at appendix 1 shows examples of retail establishments considered by the Government to be subject to the relief, but it is ultimately the decision of the Council whether the relief applies.
- 5.5. The policy also details how ratepayers can apply for the relief and how it will be awarded.
- 5.6. Guidance issued by MHCLG is attached at appendix 2.

6. **Financial Considerations**

This section has been approved by the following member of the Financial Management Unit: Lisa Turner, Chief Accountant

- 6.1. The main financial issues arising from this report are as follows:

Revenue	2018/19	2019/20	2020/21
Initial estimates of relief to be awarded	-	£216k	£221k

- 6.2. Initial calculations show in the region of 80 ratepayer accounts that could benefit from the relief, totalling £216k, however a number of these are national chains and therefore may not qualify under state aid rules.
- 6.3. All awards of this relief will be funded by the Government under a section 31 grant, therefore there is no financial pressure on the Council's finances.

7. Risk Assessment and Management

- 7.1. The main risks to this Report and the Council achieving its objectives are as follows:

- 7.2. **Positive** (Opportunities/Benefits):

- 7.2.1. Local ratepayers entitled to the relief will see a reduction in the amount they are due to pay for 2019/20 and 2020/21.

- 7.2.2. There is no risk to the Council's finances in awarding this relief as all awards will be financed by a section 31 grant.

- 7.3. **Negative** (Threats):

- 7.3.1. If the Council does not approve the policy it will not be exercising its discretionary relief powers under the Local Government Finance Act.

- 7.3.2. Failure to award the relief may result in hardship for some ratepayers.

- 7.4. The risks do not need to be entered in the Risk Register. Any financial implications to mitigate against these risks are considered above.

8. Legal Considerations

This section has been approved by the following member of the Legal Team: Angela Wakefield; Solicitor to the Council, Monitoring Officer.

- 8.1. The main legal issues arising from this Report are as follows.

- 8.2. Local Government Finance Act 1988, section 47.

- 8.3. Local Government Act 2003, section 31.

9. Equalities and Health

- 9.1. **Equality impacts:** The subject of this Report is a policy that is new or being revised. An equality and health impact assessment is currently under consultation and will be added to the report as it goes through the approvals

process.

10. Human Rights

10.1. There are no Human Rights issues arising from this Report.

11. Sustainability (including climate change and change adaptation measures)

11.1. Does the proposal result in an overall positive effect in terms of sustainability (including climate change and change adaptation measures)? N/A

12. Recommendation(s)

12.1. Members approve the Business Rates Retail Discount policy as shown at Appendix 1.

13. Background Papers

13.1. Background papers showing the initial estimate of potential recipients of the relief can be provided upon request.

14. Appendices

14.1. Appendix 1: Business Rates Retail Discount Policy.

14.2. Appendix 2: Guidance issued by MHCLG.