

WEST OXFORDSHIRE DISTRICT COUNCIL
MEETING WITH CABINET MEMBER WITH RESPONSIBILITY FOR FINANCE
21 FEBRUARY 2018
2017/18 BUSINESS RATES REVALUATION DISCRETIONARY RATE RELIEF
SCHEME

REPORT OF JOINT SUPPORT LEAD - BUSINESS RATES

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(The Cabinet Member with Responsibility for Finance is authorised to determine this relief).

I. PURPOSE

- (a) To approve the award of discretionary rate reliefs in line with the scheme announced by the government in the March 2017 budget.
- (b) To consider amendments to the existing scheme.

2. RECOMMENDATIONS

- (a) That the discretionary reliefs recommended in Appendix I be approved.
- (b) That consideration be given to increasing the amount of relief awarded to all qualifying applicants.
- (c) That consideration be given to extending the scheme to include the businesses identified in paragraph 4.4 below.

3. BACKGROUND

- 3.1. On the 4 August 2017 The Member with Responsibility for Resources approved a report which set out changes announced in the budget of 8th March to support businesses through the difficulty arising from major increases in rateable values as part of the 2017 revaluation.

4. FINANCIAL IMPLICATIONS

- 4.1. The spring budget reliefs are fully funded by central government so unless relief awards exceed the limits imposed by government of £559,000 there will be no impact on the level of business rates income and therefore the impact on the Council Taxpayer should be neutral.
- 4.2. If the Council does not award the full £559,000 within the financial year the difference between the amount awarded and £559,000 will have to be re-paid to central government.
- 4.3. To date the cost of relief (including those on Appendix I) is £325,800.60. Increasing the amount of relief to 85% of the increases over £600.00 will increase the amount awarded in relief to approximately £461,551.00. Increasing to 90% of the increases over £600 will increase the amount of relief awarded to £488,701.00.

- 4.4. The scheme could be extended to include major local employers with rateable values between £200,000 and £300,000. Officers have identified 5 businesses falling into this category. Awarding relief at 60% of the increase over £600.00 would benefit the businesses by £55,309. Awarding relief at 70% would benefit the businesses by £64,527.00.
- 4.5. The total awards set out at Appendix I amount to £138,765.39 giving assistance to 107 businesses.
- 4.6. Relief totalling £71,101.11 has already been awarded to 77 Public Houses.
- 4.7. Relief totalling £187,035.21 has been awarded to 136 businesses under the Discretionary Relief scheme.
- 4.8. Relief totalling £67,366.99 has been awarded to 61 businesses under the Supporting Small Business Rate Relief Scheme.

5. **RISKS**

- 5.1. The key risks associated with this Spring budget scheme relate to ensuring that all eligible businesses apply for the relief. Officers undertook a modelling exercise to identify these businesses and wrote to all individually with a simple application form. This has been followed up in many cases with a phone call and a visit to encourage applications for relief. Visiting has proved to be the most effective approach.
- 5.2. The approval, or otherwise, of any of the individual applications does not carry any significant risk to the Council or its residents although there is a risk that if we fail to approve due only to budget considerations when others have been granted relief in similar circumstances the decision could be challenged.

6. **REASONS**

- 6.1. To support the local economy.
- 6.2. Section 47 of the Local Government Finance Act (1988) permits the billing authority to grant discretionary rate relief to charities and other organisations of prescribed types.

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