

 <b>WEST OXFORDSHIRE DISTRICT COUNCIL</b>	<b>WEST OXFORDSHIRE DISTRICT COUNCIL</b>
Name and date of Committee	<b>MEETING WITH THE CABINET MEMBER WITH RESPONSIBILITY FOR RESOURCES – WEDNESDAY 9 OCTOBER 2019</b>
Report Number	<b>AGENDA ITEM No. 2</b>
Subject	<b>2019/20 BUSINESS RATES REVALUATION DISCRETIONARY RATE RELIEF SCHEME</b>
Wards affected	All
Accountable member	Cllr Toby Morris Cabinet Member for Resources and Deputy Leader Email: <a href="mailto:toby.morris@westoxon.gov.uk">toby.morris@westoxon.gov.uk</a>
Accountable officer Author	Jon Dearing, Group Manager, Residents' Services Chris Kent, Revenues Manager Tel: 01285 623395 Email: <a href="mailto:chris.kent@publicagroup.uk">chris.kent@publicagroup.uk</a>
Summary/Purpose	(a) To approve a scheme of discretionary rate reliefs in line with the scheme announced by the Government in the March 2017 budget. (b) To consider delegating the award of relief to officers.
Annexes	ANNEX A – WODC 2019 Local Discretionary Relief Criteria
Recommendation/s	<i>a) That the scheme of discretionary rate relief be approved as detailed in the report.</i> <i>b) That the Group Manager, Residents' Services, be authorised to award local discretionary relief in accordance with the approved scheme.</i>
	To support the local community
Key Decision	NO
Exempt	NO
Consultees/ Consultation	N/A

## **I. BACKGROUND**

- 1.1. On the 4 August 2017 The Member with Responsibility for Resources approved a report which set out changes announced in the budget of 8<sup>th</sup> March 2017 to support businesses through the difficulty arising from major increases in rateable values as part of the 2017 revaluation. This scheme was for the 2017/18 financial year. A subsequent scheme was adopted for the 2018/19 financial year. A new scheme needs to be adopted for the 2019/20 financial year.

## **2. MAIN POINTS**

- 2.1. The funding provided by central government for 2019/20 is £112,000.
- 2.2. Details of the suggested scheme are set out in Annex A.
- 2.3. Awarding relief to identified ratepayers facing increases of in excess of £1,800 from 31/03/2017 at 14% will cost £110,448.23.

## **3. FINANCIAL IMPLICATIONS**

- 3.1. The spring budget reliefs are fully funded by central government so unless relief awards exceed the limits imposed by government of £112,000 there will be no impact on the level of business rates income and therefore the impact on the Council Tax payer should be neutral.
- 3.2. If the Council does not award the full £112,000 within the financial year the difference between the amount awarded and £112,000 will have to be re-paid to central government.

## **4. LEGAL IMPLICATIONS**

- 4.1. 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.

## **5. RISK ASSESSMENT**

- 5.1. The keys risks associated with this Spring Budget Scheme relate to ensuring that all eligible businesses are awarded the relief. Officers have undertaken a modelling exercise to identify businesses facing increases in line with the criteria set out in Annex A.
- 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. ALTERNATIVE OPTIONS**

- 6.1. Alternative percentage levels have been considered, but taking into account the amount government have allocated the council this year, the percentage suggested ensures the amount will be close to being fully spent in the financial year.

**7. BACKGROUND PAPERS**

NONE

### **2019 Local Discretionary Relief**

In the budget in March 2017, the Chancellor announced a £300 million pot to be distributed to billing authorities over a 4 year period. Billing authorities have to devise their own scheme to help businesses with rateable values under £200,000. The relief is funded by S31 grant and is subject to State Aid rules. Billing Authorities must consult with major preceptors about the scheme.

A scheme has been devised across the County with billing authorities agreeing the principle qualifying criteria. The scheme solely for the 2019/20 year at this point allows for local variations.

Some of the grant will be retained initially, to allow for changes to rateable values and retrospective applications in respect of the 2018/19 scheme. Ratepayers may apply for discretionary reliefs up to 6 months after the end of the financial year the application relates to.

A change in ratepayer or the property becoming empty terminates entitlement to this discretionary relief.

Any dispute over the amount awarded will be considered by the Cabinet member with responsibility for Finance.

#### **Qualifying Criteria**

- i) The ratepayer must be in occupation on 31/03/2017. No relief will be awarded to those taking up occupation on or after 01/04/2017.
- ii) All other mandatory reliefs must have been applied for prior to an application for Local Discretionary Relief being considered.
- iii) The 2017 RV must be under £200,000. (This is based on the original funding allocation methodology).
- iv) A better buy calculation will be carried out to ensure no-one is disadvantaged if they are already in receipt of other spring budget reliefs.
- v) Where a property is formed following a split or merger after 31/03/2017 but qualified before the split or merger a new calculation will be carried out.
- vi) Officers will identify businesses entitled to relief. An application form will not be required. When an award is made a letter will be sent regarding State Aid limits demanding that the ratepayer inform the Council within 28 days if they believe they will exceed the limit.
- vii) Increases to the 2017 RV only will not affect the award.
- viii) Recalculations will be made where reductions in RV for either the 2010 or 2017 RV are made.

## Exclusions

- i) Relief will not be awarded to precepting bodies (i.e. County, District or Parish Councils).
- ii) Awards will not be made to banks, building societies or other major financial institutions.
- iii) Awards will not be made to multi-national businesses or large chains.
- iv) Awards will not be made to the NHS.
- v) Awards will not be made to charities.