

COMMUNITY SERVICES AND LICENSING COMMITTEE

7 SEPTEMBER 2017

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Report Title	DISCRETIONARY RATE RELIEF SCHEME
Purpose of Report	To adopt a Discretionary Rate Relief scheme.
Decision(s)	The Committee RESOLVES to: <ol style="list-style-type: none"> 1. Adopt the Discretionary Rate Relief Scheme for the period 01 April 2017 to 31 March 2021; and 2. Authorise the Strategic Head (Customer Services) in consultation with the Committee Chair and Section 151 Officer, to make minor alterations to the scheme referred to in 2.4.
Consultation and Feedback	This is a county wide scheme in agreement with the other 5 Councils in Gloucestershire
Financial Implications and Risk Assessment	This scheme is in line with the grant funding available from Government. Any remaining grant would need to be repaid and so cannot be used for another purpose. Lucy Clothier, Principal Accountant Tel: 01453 754343 Email: lucy.clothier@stroud.gov.uk
Legal Implications	No direct legal implications to report. Tel: 01453 754369 Email: karen.trickey@stroud.gov.uk
Report Author	Simon Killen – Revenue and Benefit Manager Tel: 01453 754013 Email: simon.killen@stroud.gov.uk
Performance Management Follow Up	The scheme will be reviewed after year 1
Background Papers/ Appendices	Appendix A - Summary of Scheme

1. INTRODUCTION / BACKGROUND

- 1.1 Business Rates are charged on most non-domestic properties like shops, offices, pubs, warehouses, factories, holiday rental homes or guest houses. You will probably have to pay business rates if the building or part of a building is used for business purposes.
- 1.2 From 01 April 2017, all non-domestic properties have been given a new rateable value, used to calculate the amount of Business Rates that has to be paid. The process is known as revaluation and is controlled by the Government.
- 1.3 There are 4,080 businesses in the district with a collectable debit of £28,370,122. A number of these business are already being supported through various existing rate relief schemes

Relief Description	Value (£)	Number of accounts
Small Business Rate Relief	3,427,569	1,622
Mandatory Relief	2,243,654	302
Discretionary Relief	226,543	169
Community Amateur Sports Clubs	32,524	13
Other	64,929	62
	5,995,2019	2,168

1.4 In the Spring 2017 budget, the Government announced £300 million funding for local councils to finance Business Rates relief for revaluation support. The Government funding can only support relief schemes targeted at businesses facing an increase in their Business Rates bill following the 2017 revaluation.

1.5 The Government allocation for funding for Stroud District Council is:

Amount of discretionary pot awarded (£000s)			
2017-18	2018-19	2019-20	2020-21
252	123	50	7

2. PROPOSED SCHEME

2.1 Qualifying Conditions:

- Rateable Value below £200,000
- Increase due to revaluation of 10% and over on bills between 2016/17 and 2017/18 before reliefs
- Eligible ratepayer is the ratepayer on 31/03/2017 and continues to be eligible
- Anyone falling into an exception category will not be eligible

2.2 Exceptions:

- Empty Properties
- New occupiers on or after 01 April 2017
- Those in receipt of any other relief such as Mandatory, Community Amateur Sports Clubs, Small Business Rates Relief, excluding transitional relief
- National chains

2.3 Funding Award

Based on available funding, discretionary relief at the following percentages of the net increase for 2017/18 would be granted:

*Modelling figures may be subject to change when software fully developed and tested

Financial Year	Percentage %
2017/18	50
2018/19	25
2019/20	10
2020/21	1-5

Increase over 10%		
Number of Accounts	Increase in Charge (£)	50%
172	462,726	231,363

A fund of £20,000 will be retained for appeals and retrospective adjustments.

2.4 Review of the Scheme

The scheme will be reviewed after Year 1. The impact of any Rateable Value changes because of appeals, splits/mergers or businesses moving, is unknown.

Minor changes to the scheme along with the % awards may need to be made to maximise spending of the funding.

3. Other changes in Business Rates

Relief for Pubs

Spring budget also announced a £1,000 business rates discount for public houses with a rateable of up to £100,000 for one year from 1 April 2017. The council aims to use its discretionary powers under the local government finance act 1988 to grant relief to all qualifying ratepayers.

Support provided for 115 public houses in the district.

Supporting Small Business (SSB)

Spring budget also announced a scheme of relief ensuring that no business losing small business rates relief or rural relief as a result of the revaluation faces excessive increase in their bills. The council aims to use its discretionary powers under the local government finance act 1988 to grant relief to all qualifying ratepayers.

Software being developed during September and October before any detailed modelling can take place. Initial modelling shows the impact is minimal.

Further information can be found at:

<https://www.gov.uk/government/publications/22017-spring-budget-support-for-business>