
Business Rates Discretionary Rate Relief Policy Review Report

Committee considering report:	Executive on 21 December 2017
Portfolio Member:	Councillor Graham Bridgman
Date Portfolio Member agreed report:	7 December 2017
Report Author:	Iain Bell
Forward Plan Ref:	EX3403

1. Purpose of the Report

- 1.1 The policy for discretionary rate relief requires updating – some forms of rate relief no longer exist.
- 1.2 To review and consider changes to the policy to ensure consistency and relevance.
- 1.3 To agree approach/criteria to how a new form of Discretionary Relief scheme introduced by government in April 2017 is to be administered.

2. Recommendation

It is recommended that the amended Discretionary Rate Relief Policy shown at **Appendix B** is adopted.

3. Implications

3.1 Financial:

During 2016/17 the council awarded £122,000 in Discretionary Rate Relief. The cost to the Council in awarding the relief was £60,000. There are financial risks of reintroducing any form of discretionary relief but there is also potential to save costs.

This report will highlight the risks of introducing Part Occupied Rate Relief.

3.2 Policy:

The Discretionary policy was last reviewed in March 2014. It is therefore considered that this is a timely review of the Policy to take account of current legislation and guidance.

3.3 Personnel:

None

3.4 Legal:

Having a properly adopted policy will assist the Council in ensuring that it takes lawful decisions and will reduce the risk of successful challenge.

3.5 Risk Management:

None

3.6 Property:

None

3.7 Other:

None

Executive Summary

4. Introduction / Background

4.1 Discretionary Rate Relief has existed in a variety of forms since business rates were introduced in 1990. Since April 2013 the introduction of a rates retention scheme changed the funding arrangements whereby the Council has to meet 49% of the cost of all discretionary relief awards unless government has provided funding.

In April 2017 a Business Rates revaluation took place which saw significant changes in rates bills.

4.2 The Policy was last reviewed in March 2014. The table below shows which types of discretionary relief are currently available;

Type of Relief	Maximum award	Amount awarded 2016/17 (£)	Cost to Council (£)	Comments
Charitable relief (known as top up)	20%	41,805	20,484	For registered charities and Community Amateur Sports Clubs (CASCs)
Non Charitable relief	100%	35,114	17,205	For not-for-profit organisations such as Friendly Provident Societies or Community Interest Companies
Statutory Rural relief	50%	39,732	19,468	Rural post offices, pubs, food or general stores
Non Statutory Rural Relief	50%	7,773	3,808	As above
Part Occupied Relief	100%	0	0	Relates to properties where difficulties exist in occupying the whole property
Hardship Relief	100%	0	0	For those organisations who paying the business rates would cause financial hardship

4.3 In April 2017 Government also introduced 3 new types of relief to help those businesses who saw significant increases in their Business Rates bills as a result of the revaluation. These are in addition to the types shown above. They are as follows;

Type of relief	2017/ 2018 discount	How funded
Pub relief	£1000 off rates bill	Fully funded by government
Supporting Small Business	Limits increases to £600 for the next 5 years	Fully funded by government
2017 new discretionary relief	% of relief awarded based upon agreed set criteria	Financial Support provided by government over following 4 years

4.4 The purpose of this report is therefore to:

- (i) Update the Council's policy as some reliefs no longer exist.
- (ii) To review and consider changes to the existing reliefs to ensure consistency and relevance
- (iii) To agree approach/criteria as to how the new type of discretionary relief be administered

4.5 In relation to (iii) the financial support being given by government to West Berks to support this new discretionary relief over the next 4 years is;

2017/18 - £551,000

2018/19 - £272,000

2019/20 - £112,000

2020/21 - £16,000

The government's intention is to phase out and reduce this relief until the end of current valuation list which is due to end in 2021/22. Each year the council will therefore reduce the amount of relief to ensure that these amounts are not overspent.

5. Equalities Impact Assessment Outcomes

- The outcomes of this report relate to Business Rates and the assessment shown at **Appendix A** demonstrates that this policy is not relevant to equality issues.

6. Proposals

6.1 To remove from the policy those forms of rate relief which no longer apply.

6.2 To change 3 of the existing reliefs;

- (i) In terms of charitable relief, with effect from 1st April 2018 it is proposed to remove the automatic award of 20% rate relief to scout, girl guide and cadet groups. This would ensure consistency and clarity when dealing with all charitable organisations.
- (ii) In terms of not for profit organisations, with effect from 1st April 2018, it is proposed that the Council remove the automatic award of up to 100% rate relief to a sporting club or facility where the liable organisation have chosen not to apply Community Amateur Sports Club (CASC) status. The maximum amount of relief given to such organisation would be 20%. This would ensure that organisations are making full use of the reliefs available and therefore not incurring the Council with additional costs. This could potentially save the council £5,000.
- (iii) In relation to Partly Occupied Relief, it is proposed that this form of relief be reviewed. The Council must consider applications for this type of relief and the proposed criteria for doing so is therefore set out in the draft Policy. This proposal will have financial consequences although actual cost will depend upon the number of applications and the size of property. In 2013/14 £67,000 of rate relief was awarded costing the council £33,000.

In relation to points (i) and (ii) those organisations potentially affected will be contacted or written to to explain the changes.

6.3 In terms of agreeing an approach to administer the new discretionary relief scheme it is being proposed to award relief to organisations who meet the following criteria;

- the rateable value of the occupied property is under £150,000
- the organisation has seen an increase in their rates bill of more £600
- the organisation is not part of a national chain or occupies many properties in many areas of the country
- the property is not a doctor's surgery or occupied by the NHS
- the property is not a school or other relevant educational establishment.

7. Conclusion

7.1 It has been more than 3 years since the policy was last updated and a review is required to ensure that it remains relevant.

7.2 In April 2017, the Government introduced a new Discretionary Relief Scheme which was aimed at those organisations who were facing the largest increases as a result of the revaluation. The revised draft policy includes a set of new criteria which provides support for businesses that the Council believes contribute to the local economy.

8. Appendices

8.1 Appendix A – Equality Impact Assessment

8.2 Appendix B – Draft revised Policy

8.3 Appendix C – New 2017 Discretionary Scheme workings and models considered

Appendix A

Equality Impact Assessment - Stage One

We need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity as set out in the Public Sector Equality Duty (Section 149 of the Equality Act), which states:

- “(1) A public authority must, in the exercise of its functions, have due regard to the need to:**
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;**
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; This includes the need to:**
 - (i) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;**
 - (ii) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;**
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, with due regard, in particular, to the need to be aware that compliance with the duties in this section may involve treating some persons more favourably than others.**
- (2) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.**
- (3) Compliance with the duties in this section may involve treating some persons more favourably than others.”**

The following list of questions may help to establish whether the decision is relevant to equality:

- Does the decision affect service users, employees or the wider community?
- (The relevance of a decision to equality depends not just on the number of those affected but on the significance of the impact on them)
- Is it likely to affect people with particular protected characteristics differently?
- Is it a major policy, or a major change to an existing policy, significantly affecting how functions are delivered?
- Will the decision have a significant impact on how other organisations operate in terms of equality?
- Does the decision relate to functions that engagement has identified as being important to people with particular protected characteristics?
- Does the decision relate to an area with known inequalities?
- Does the decision relate to any equality objectives that have been set by the council?

Please complete the following questions to determine whether a full Stage Two, Equality Impact Assessment is required.

What is the proposed decision that you are asking the Executive to make:		Amendments to current policy	
Summary of relevant legislation:		Local Government Finance Act 1988	
Does the proposed decision conflict with any of the Council's key strategy priorities?		No	
Name of assessor:		Iain Bell	
Date of assessment:		18 th September 2017	
Is this a:		Is this:	
Policy	Yes	New or proposed	No
Strategy	No	Already exists and is being reviewed	Yes
Function	Yes	Is changing	Yes
Service	Yes		
1 What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?			
Aims:	To review and update the current Business Rates Discretionary Rate Relief Policy		
Objectives:	To review and update the current Business Rates Policy		
Outcomes:	To produce a revised policy		
Benefits:	To be able to provide Business Rate Payers with advice on the criteria to qualify for rate relief		
2 Note which groups may be affected by the proposed decision. Consider how they may be affected, whether it is positively or negatively and what sources of information have been used to determine this. (Please demonstrate consideration of all strands – Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation.)			
Group Affected	What might be the effect?	Information to support this	
Age			
Disability			
Gender Reassignment			
Marriage and Civil			

Partnership		
Pregnancy and Maternity		
Race		
Religion or Belief		
Sex		
Sexual Orientation		
Further Comments relating to the item:		
Rate relief is awarded to charities, non profit making organisations and other commercial companies. The criteria for qualification does not relate to any of the above groups.		
3 Result		
Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?		No
Please provide an explanation for your answer: These are 'business' organisations where qualification is based upon other criteria		
Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?		No
Please provide an explanation for your answer: These are 'business' organisations		

If your answers to question 2 have identified potential adverse impacts and you have answered 'yes' to either of the sections at question 3, or you are unsure about the impact, then you should carry out a Stage Two Equality Impact Assessment.

If a Stage Two Equality Impact Assessment is required, before proceeding you should discuss the scope of the Assessment with service managers in your area. You will also need to refer to the [Equality Impact Assessment guidance and Stage Two template](#).

4 Identify next steps as appropriate:	
Stage Two required	
Owner of Stage Two assessment:	
Timescale for Stage Two assessment:	

Name: Iain Bell

Date: 18th September 2017

Please now forward this completed form to Rachel Craggs, Principal Policy Officer (Equality and Diversity) (rachel.craggs@westberks.gov.uk), for publication on the WBC website.