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# Business Rates Discretionary Rate Relief Policy Update Report

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<b>Committee considering report:</b>	Executive on 14 February 2019
<b>Portfolio Member:</b>	Councillor Dominic Boeck
<b>Date Portfolio Member agreed report:</b>	31 January 2019
<b>Report Author:</b>	Iain Bell
<b>Forward Plan Ref:</b>	EX3677

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## 1. Purpose of the Report

- 1.1 To update the approach for awarding the new 2017 Discretionary Rate Relief for 2018/19 and 2019/20

## 2. Recommendations

- 2.1 To approve a revised Discretionary Rate Relief Policy which is highlighted at Appendix D – Section 8.3 page 7 & 8.
- 2.2 This is to increase the amount of relief awarded from 35% to 50% for 2018/19 and from 15% to 25% in 2019/20, and to make the award automatic rather than upon application. This will reduce even further the burden of business rates to those most affected by the increase in charges.
- 2.3 The reason for the above is to ensure that the allocation of government funding is fully utilised for businesses who saw the largest increases in their bills as a result of the 2017 revaluation.

## 3. Implications

- 3.1 **Financial:** As the proposed change to the relief scheme is funded by government there are no financial consequences providing no more than £272,000 is spent by 31st March 2019.
- Anything over this amount will have to be repaid to government.
- 3.2 **Policy:** The Discretionary Policy was last reviewed in November 2017 following the introduction and cessation of a number of different relief schemes. The proposed amendment relates to one of the new funded relief schemes.
- 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

#### 4. **Other options considered**

4.1 Changing one of the criteria could have meant more businesses qualifying for the relief but this would appear to negate the aims of the scheme. For example, raising the rateable value limit to £200,000 could mean large organisations qualifying when the scheme was aimed at small and medium enterprises or, lowering the limit of increase from £600 to £300 would have gone against the principles of new supporting small businesses scheme.

4.2 It was therefore considered the best option to further assist those businesses that already qualify under the present criteria.

## Executive Summary

### 5. Introduction / Background

5.1 Discretionary Rate Relief has existed in a variety of forms since business rates were introduced in 1990. In 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.

5.2 The table below shows which types of Discretionary relief are currently available;

Type of Relief	Maximum award	Amount awarded 2017/18 (£)	Cost to Council (£)	Comments
Charitable relief (known as top up)	20%	60,955	29,867.95	For registered charities and Community Amateur Sports Clubs (CASCs)
Non Charitable relief	100%	20,892	10,237.08	For not-for-profit organisations such as Friendly Provident Societies or Community Interest Companies
Statutory Rural relief	50%	10,836	5,309.64	Rural post offices, pubs, food or general stores
Non Statutory Rural Relief	50%	10,434	5,112.66	As above
Part Occupied Relief	100%	6,190	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

5.3 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. They are as follows;

Type of relief	2017/ 2018 discount	How funded	Amount awarded 2017/2018 (£)
Pub relief	£1000 off rates bill where Pub has Rateable Value less than £100,000	Fully funded by government for 2017/18 and 2018/19	94,174
Supporting Small Business	Limits increases to £600 for the next 5 years to those organisation who lost Small Business Rate Relief.	Fully funded by government over next 5 years	61,416
2017 new Discretionary Relief	% of relief awarded based upon agreed set criteria. This was aimed at organisations who faced the largest increases.	Financial Support provided by government over following 4 years	430,841

- 5.4 The purpose of this report is to update the approach as to how the 2017 new Discretionary Relief be administered.
- 5.5 In relation to this scheme the financial support being given by government to West Berkshire over the next 3 years is;

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.

## **6. Proposal**

- 6.1 223 organisations are currently in receipt of this form of relief. The amount of relief granted for 2018/19 based upon the current 35% level of award is £190,000. By increasing this level to 50% the amount spent will be around £240,000. This is still under the limit and allows for any increases in valuations.
- 6.2 In 2019/20 the proposal is to increase the award from 15% to 25%.

## **7. Conclusion**

- 7.1 In April 2017, the Government introduced a new 2017 Discretionary Relief Scheme which was aimed at those organisations who were facing the largest increases as a result of the revaluation. The policy should now include a set of new increased relief values which will provide further support for businesses that the Council believes contribute to the local economy.

## **8. Appendices**

- 8.1 Appendix A – Data Protection Impact Assessment
- 8.2 Appendix B – Equalities Impact Assessment
- 8.3 Appendix C – Supporting Information
- 8.4 Appendix D – Current Discretionary Relief Policy

## Appendix A

### Data Protection Impact Assessment – Stage One

The General Data Protection Regulations require a Data Protection Impact Assessment (DPIA) for certain projects that have a significant impact on the rights of data subjects.

Should you require additional guidance in completing this assessment, please refer to the Information Management Officer via [dp@westberks.gov.uk](mailto:dp@westberks.gov.uk)

Directorate:	Resources
Service:	Finance & Property
Team:	Revenues & Benefits
Lead Officer:	Iain Bell
Title of Project/System:	Discretionary Rate Relief Policy update
Date of Assessment:	27 <sup>th</sup> November 2018

**Do you need to do a Data Protection Impact Assessment (DPIA)?**

	Yes	No
<p><b>Will you be processing SENSITIVE or “special category” personal data?</b></p> <p>Note – sensitive personal data is described as “<i>data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person’s sex life or sexual orientation</i>”</p>	<input type="checkbox"/>	<b>x</b>
<p><b>Will you be processing data on a large scale?</b></p> <p>Note – Large scale might apply to the number of individuals affected OR the volume of data you are processing OR both</p>	<input type="checkbox"/>	<b>x</b>
<p><b>Will your project or system have a “social media” dimension?</b></p> <p>Note – will it have an interactive element which allows users to communicate directly with one another?</p>	<input type="checkbox"/>	<b>x</b>
<p><b>Will any decisions be automated?</b></p> <p>Note – does your system or process involve circumstances where an individual’s input is “scored” or assessed without intervention/review/checking by a human being? Will there be any “profiling” of data subjects?</p>	<input type="checkbox"/>	<b>x</b>
<p><b>Will your project/system involve CCTV or monitoring of an area accessible to the public?</b></p>	<input type="checkbox"/>	<b>x</b>
<p><b>Will you be using the data you collect to match or cross-reference against another existing set of data?</b></p>	<input type="checkbox"/>	<b>x</b>
<p><b>Will you be using any novel, or technologically advanced systems or processes?</b></p> <p>Note – this could include biometrics, “internet of things” connectivity or anything that is currently not widely utilised</p>	<input type="checkbox"/>	<b>x</b>

**If you answer “Yes” to any of the above, you will probably need to complete [Data Protection Impact Assessment - Stage Two](#). If you are unsure, please consult with the Information Management Officer before proceeding.**

## Appendix B

### 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.

<b>What is the proposed decision that you are asking the Executive to make:</b>	Amendments to current policy
<b>Summary of relevant legislation:</b>	Local Government Finance Act 1988
<b>Does the proposed decision conflict with any of the Council’s key strategy priorities?</b>	No
<b>Name of assessor:</b>	Iain Bell
<b>Date of assessment:</b>	27 <sup>th</sup> November

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		

<b>1 What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?</b>	
<b>Aims:</b>	To update the current Business Rates Discretionary Rate Relief Policy
<b>Objectives:</b>	To update the current policy
<b>Outcomes:</b>	To produce a revised policy
<b>Benefits:</b>	To be able to provide Business Rate Payers with advice on the criteria to qualify for rate relief

<b>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.</b> (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.)		
<b>Group Affected</b>	<b>What might be the effect?</b>	<b>Information to support this</b>
<b>Further Comments relating to the item:</b>		
This form of relief is aimed at commercial organisations or businesses		

<b>3 Result</b>	
<b>Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?</b>	<b>No</b>
Please provide an explanation for your answer: These are 'business' organisations where qualification is based upon other criteria	
<b>Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?</b>	<b>No</b>
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](#).

<b>4 Identify next steps as appropriate:</b>	
<b>Stage Two required</b>	No
<b>Owner of Stage Two assessment:</b>	
<b>Timescale for Stage Two assessment:</b>	

Name: Iain Bell

Date: 18<sup>th</sup> December 2018

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