

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 8

meeting date: 22 JANUARY 2019
 title: AUTUMN BUDGET 2018 – RETAIL RELIEF
 submitted by: DIRECTOR OF RESOURCES
 principal author: MARK EDMONDSON

1 PURPOSE

- 1.1 To inform Committee that the Chancellor, in his 2018 Budget, introduced a Business Rates Retail Relief scheme for 2019-20 and 2020-21.
- 1.2 To obtain Committee's approval to amend our Discretionary Rate Relief Policy to allow the relief to be granted without an application in writing as proposed by the Government.
- 1.3 Relevance to the Council's ambitions and priorities:
- Council Ambitions/Community Objectives/Corporate Priorities:
 Without the revenue collected from business rates, council tax and sundry debtors we would be unable to meet the Council's ambitions, objectives and priorities.

2 BACKGROUND

- 2.1 The Localism Act 2011 amended Section 47 of the Local Government Finance Act 1992 to give local authorities the power to reduce Business Rates as they think fit.
- 2.2 Since this power was introduced the Government have chosen to introduce numerous temporary reliefs without the need to amend primary legislation.
- 2.3 These include:

Relief	Year	Amount
New Build Relief	Oct 2013 – Sept 2016	18 months 100% relief
Retail Relief	2014/15	£1,000
Reoccupation Relief	2014/15 + 2015/16	50% relief 18 months
Retail Relief	2015/16	£1,500
Flood Relief	2015/16 + 2016/17	100% relief whilst unoccupied
Discretionary Transitional Relief	2015/16 + 2016/17	Varying
Rural Rate Relief	2017/18 onwards	Doubling 50% relief to 100%
Pub Relief	2017/18	£1,000
Supporting Small Business Relief	2017/18 to 2020/21	Limit increase to £600
Revaluation Relief	2017/18 to 2020/21	Varying
Pub Relief	2018/19	£1,000

- 2.4 On each occasion guidance has been provided requiring local authorities to adopt their own schemes for awarding the relief that required an application to be made by the ratepayer to confirm that the award of the relief would not breach state aid rules.

- 2.5 Guidance for the 2019/20, 2020/21 Retail Relief was issued on 30 November 2018 and on this occasion the Government are asking local authorities to include the relief in 2019/20 bills. Ratepayers will be required to refuse the relief or confirm that it does not breach state aid rules at a later date (Annex A).
- 2.6 The relief, of one third of the rates payable, will apply to occupied premises with a rateable value of less than £51,000, that are wholly or mainly used as shops, restaurants, cafes and drinking establishments.
- 2.7 Our initial analysis has identified approximately 250 premises that could meet the criteria.

3 ISSUES

Application

- 3.1 On previous occasions we have used our existing Discretionary Rate Relief Scheme to award the various reliefs as it met the requirements of the guidance issued by Government.
- 3.2 Our Discretionary Rate Relief scheme treats each case on its own merits;
- requires an application to be made in writing,
 - all other reliefs to have been awarded,
 - the council's finances allow for the relief to be awarded and
 - it is in the interests of Council Tax payers to do so.
- 3.3 Therefore to enable us to grant the relief using our current Discretionary Rate Relief policy committee needs to authorise the award of this relief without the requirement for a written application on this occasion.

Timescales

- 3.4 The guidance issued by Government states that this relief must apply after every other relief has been awarded and therefore we require our software provider to amend our system to enable it to be calculated correctly.
- 3.5 Our software provider has indicated that the new functionality will not be available until late February 2019 and therefore it is going to be difficult to apply the update and award the relief in the timescales required to produce our annual bills at the beginning of March 2019.

4 RISK ASSESSMENT

- 4.1 The approval of this report may have the following implications:
- Resources – The Government will fully fund any relief granted however, there will be a cost in amending our software and administering this relief. The Government have indicated that they will compensate local authorities for the additional costs but the amount of funding has not yet been determined.
 - Technical, Environmental and Legal – As indicated previously we require an amendment to our software to enable this relief to be calculated correctly. This is due to be available in late February 2019 making it difficult to ensure that the relief will be granted in time for annual billing for 2019/20. The relief is also subject to state aid rules however, as the

guidance makes clear responsibility for ensuring that ratepayers do no breach state aid rules lies with them and not local authorities.

- Political - None
- Reputation – The Government guidance has requested that local authorities award this relief without the need for a written application. If we do not follow this we may have a negative response from ratepayers who have to undertake additional administration to apply for the relief. Furthermore a requirement to make a written application will delay the process and in many cases will mean that the relief will not be included with annual bills which will require an adjustment bill to be issued at a later date.
- Equality and Diversity – None

5 RECOMMEND THAT COMMITTEE

- 5.1 Authorise the Director of Resources to grant Discretionary Rate Relief to those ratepayers who meet the criteria as set out in the guidance issued by Government, without the need for a written application.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF4-19/ME/AC
10 January 2019