

**Report to:** Cabinet

**Date of Meeting:** 4 December 2017

**Report Title:** Discretionary Business Rate Relief Policy

**Report By:** Peter Grace (Chief Finance Officer)

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### **Purpose of Report**

To approve a policy in respect of the level of Discretionary Business Rates Relief to be granted to certain defined ratepayers within Hastings Borough Council area.

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### **Recommendation(s)**

1. To approve the attached policy.
2. To authorise the Assistant Director of Financial Services and Revenues (Chief Finance Officer) in consultation with the leader of the Council to make any necessary changes to the policy, if there are changes or likely to be changes in legislation, or if the total relief being granted could result in the total payments exceeding the level of grant.

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### **Reasons for Recommendations**

The Council needs a policy to set out how they will allocate the grant monies received from central government to help local businesses affected by the revaluation.

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## Introduction

### Background

1. The Local Government Finance Act 1988, and subsequent legislation, requires the Council to grant discretionary relief for premises occupied by Charities and similar organisations that own or occupy them wholly or mainly for charitable purposes. Likewise, certain premises situated within a rural settlement area will be eligible for relief. Powers have also been granted under the Localism Act 2011, which allow for the granting of discretionary rate relief to any premises where the Council feels the granting of such relief would be of benefit to the local community.
2. In addition to the above, Central Government is keen that in certain cases, assistance should be provided to businesses that have had increases in their rate liability due to the revaluation of premises in April 2017. In these cases, and where the Council meets Central Government guidelines, grants are available under section 31 of the Local Government Act 2003.
3. The Council has been awarded grants from Central Government for the next four years to assist businesses affected by the revaluation referred to above.
  - Year 1, (2017/18) a grant of £230,000
  - Year 2, (2018/19) a grant of £112,000
  - Year 3, (2019/20) a grant of £46,000
  - Year 4, (2020/21) a grant of £7,000.
4. Whilst the Council is obliged to grant relief to premises, which fall within the mandatory category, the Council also has powers to grant discretionary relief and reductions to ratepayers, subject to certain criteria being met.

### Discretionary Business Rate Relief Policy

5. The attached document (appendix1) sets out the proposed Discretionary Business Rates Relief scheme which is available from 1st April 2017.
6. Although funding is being allocated for four years, the policy is in respect of 2017/18 only. Due to potential changes which may affect Transitional Relief together with any other legislative changes, the policy will need to be reviewed annually.

## Consultation

7. The Council, in relation to the scheme, has consulted with the major preceptors, namely:

- East Sussex County Council;
- The Police and Crime Commissioner for Sussex; and
- The East Sussex Fire and Rescue Service

8. The only comment made relates to potential loss of income and the preceptors are keen that we ensure that the cost is managed within the grant funding allocated by government.

## Award of Discretionary Business Rate Relief – Next steps

9. We have already identified around 300 potential recipients of the proposed discretionary relief scheme.

10. As soon as approval is given, we will be contacting the relevant businesses and asking them to complete a brief application form.

11. Completed applications will be processed promptly and revised accounts issued.

## Antipoverty

12. This additional financial support, particularly for small businesses, will help secure local jobs.

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## Wards Affected

All wards

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## Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	
Crime and Fear of Crime (Section 17)	
Risk Management	
Environmental Issues	
Economic/Financial Implications	YES
Human Rights Act	
Organisational Consequences	
Local People's Views	
Anti-Poverty	YES

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## Additional Information

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## Appendix 1- Discretionary Business Rate Relief Policy

### Appendix 1a – Exclusions from scheme

#### Officer to Contact

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