

13 FEBRUARY 2020

BUSINESS RATES DISCRETIONARY RATE RELIEF POLICY

Cabinet Member(s): Alex White – Finance
Responsible Officer: Dean Emery GM/Andrew Jarrett s151/Deputy CEO

Reason for Report: To introduce a refreshed Business Rates Discretionary Relief Policy

RECOMMENDATION: The content of this report and the revised policy to be adopted by Mid Devon District Council

Financial Implications: Unless reliefs are fully funded by the Government under section 31 the cost of these reductions are split as follows. Government 50%, Mid Devon 40%, Devon County Council 9% and Fire Authority 1%. Reliefs currently awarded are **£5,395,361m** (Mandatory Relief), **£95,739** (Discretionary Relief) and **£405,159,000** (Discretionary Funded s31). This revised policy aims to better manage reliefs and also gives some protections. Figures taken from Q3 NDR3 Financial Review.

Legal Implications: Policy in line with LGFA 1988 s47 & s49 – Section 31 Funded Reliefs (temporary changes) are paid via s47

Risk Assessment: Low Risk

Equality Impact Assessment: This equality impact assessment considers the impact of this policy on the relevant protected characteristics, as defined by the Equality Duty, which are:

- Age (including children and young people)
- Disability
- Gender reassignment
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation
- Marriage or civil partnership status (in respect of the requirement to have due regard to eliminate discrimination)

Relationship to Corporate Plan: To help drive Aim 1 (Economy) to also help local organisations to remain in the area delivering services to the Local Community

Impact on Climate Change: There are no known impacts.

1.0 Introduction/Background

1.1 Mid Devon District Council Refreshed Policy makes sure that public funds are used and protected in a measured and consistent way

1.2 The policy helps advertise financial help for Business Rate Payers

1.3 The policy meets with Government guidance and expectations on the promotion of reliefs for business rates

1.4 Each application for Discretionary Relief, funded or unfunded are required to satisfy EU State Aid Rules.

1.5 Should Britain leave the EU the Government are advising that the rules on State Aid will be brought into our legislation, as such it appears this test will remain.

2.0 Recommendations

- 2.1 Rateable Value (RV) capped at £80,000
- 2.2 Where a local organisation would normally qualify for 100% Small Business Rates Relief but for the “Interaction of Reliefs” rules (point 12) Mid Devon Council will award discretionary relief “top up” of 100%.
- 2.3 Continuation of Rural Rate Relief Top up of 50% - this is also subject to the Government allowing this to happen. Fully fund relief under s31 grant.
- 2.4 Continuation of all special measures fully funded under s31 grant, i.e. help for Small Businesses, Revaluation Relief, and Retail Discount for year 2020/21. Note all reliefs will legally stop as of 01/04/2021 unless Government advise otherwise
- 2.5 Maximum amount of relief to be set at 80% of the net payable amount
- 2.6 Approval of fully funded reliefs to be delegated to Revenues and Benefits Managers or as directed by the s151 Officer
- 2.7 Approvals of Discretionary Relief (non-funded) to be delegated to Revenues and Benefits Managers or as directed by the s151 Officer
- 2.8 Local Discretionary Relief for Young / New Businesses approval of agreed amounts to be approved by s151 or Deputy only
- 2.9 Approval of (2.8) 9.1 within the policy can only be approved by s151 or Deputy or delegated to the Group Manager
- 2.10 Changes or new reliefs to be agreed by ‘Executive Order’ or as required by the s151 Officer and Government Guidance
- 2.11 Reliefs are brought in as required by the ministerial statement 28/01/2020
 - 2.11.1 Retail Relief increases to 50% from 33%
 - 2.11.2 Pub Relief awarding a maximum of £1,000 to those that qualify
 - 2.11.3 Local Newspaper Relief of £1,500 is awarded to those that qualify from 2020/21 to 2025
- 2.12 **Cabinet recommends this revised policy is adopted by Mid Devon District Council**

Contact for more Information: Dean Emery, demery@middevon.gov.uk, Tel: 01884 – 234945 or Fiona Wilkinson, fwilkinson@middevon.gov.uk, Tel: 01884 - 234329

Circulation of the Report: Cabinet Member seen and approved Yes – Alex White, Leadership Team

List of Background Papers: Report and Policy, appendix papers attached to this policy, EIA