

Full Council

26 February 2020

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

Business Rates Retail Relief

Final Decision-Maker	Full Council
Portfolio Holder(s)	Councillor Tom Dawlings, Portfolio Holder for Finance and Governance
Lead Director	Stephen McGinnes, Director of Mid Kent Services
Head of Service	Sheila Coburn, Head of Revenues and Benefits Partnership
Lead Officer/Author	Sheila Coburn, Head of Revenues and Benefits Partnership
Classification	Non-exempt
Wards affected	All

This report makes the following recommendations to the final decision-maker:

That the amended Retail Relief Policy be adopted

Explain how this report relates to the Corporate Priorities in the Five Year Plan:

- A prosperous borough – in providing financial support to businesses, they will receive the relief intended by the Government

Timetable

Meeting	Date
Council	26 February 2020

Business Rates Retail Relief

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The Council approved a Retail Relief Policy funded by Central Government for the years 2019-2020 and 2020-2021.
 - 1.2 In a Ministerial Statement on 27 January 2020 the Government announced that it would extend the value of the Retail Discount from one third of the bill to 50% in 2020/21.
 - 1.3 The purpose of this report is for Full Council to adopt the changed Retail Relief Policy in Appendix A.
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2. INTRODUCTION AND BACKGROUND

- 2.1 The Government recognised that changing consumer behaviour presents a significant challenge for retailers in our town centres and took action to help the high street evolve.
 - 2.2 The Government announced in the Budget in October 2018 that it will provide a Business Rates Retail Discount scheme for occupied retail properties with a rateable value of less than £51,000 in each of the years 2019-20 and 2020-21.
 - 2.3 Retail properties are described as those that are wholly or mainly used as shops, restaurants, cafes and drinking establishments.
 - 2.4 As this was a measure for 2019-20 and 2020-21 only, the Government did not change the legislation around the reliefs available to properties.
 - 2.5 The value of the relief was 1/3rd of the net Business Rates bill, after mandatory reliefs and other discretionary reliefs have been applied.
 - 2.6 In a Written Ministerial Statement on 27 January 2020 the Government announced that it would extend the value of the Retail Discount from 1/3rd of the bill to 50% in 2020/21.
 - 2.7 It is up to authorities to determine for themselves whether particular properties are eligible for the relief.
 - 2.8 Ratepayers will be notified on their Business Rates bills for 2020-2021 of the amount of relief given.
 - 2.9 Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, subject to State Aid De Minimis limits.
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3. AVAILABLE OPTIONS

- 3.1 Option 1 – do nothing option. This option would not assist those businesses that the Government intends should benefit from relief at no cost to the local authority.
- 3.2 Option 2 - award relief in line with Government proposals.
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 Option 2 is the preferred option as this Council will be fully compensated for any relief given.
- 4.2 Applying Option 2 will mean the relief is awarded in line with the intentions of Central Government to assist retailers.
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5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 None
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6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 Details of the relief will be made available on the Council's website and issued with Business Rates bills
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7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Legal including Human Rights Act	<p>Section 47 of the Local Government Finance Act 1988 gives billing authorities discretionary rate relief powers that enable the Council to operate the proposed scheme.</p> <p>Central government will fully reimburse local authorities for the local share of the discretionary relief through a grant under section 31 of the Local Government Act 2003.</p> <p>There are no consequences arising from the recommendation that adversely affect or interfere with individuals' rights and freedoms as set out in the Human Rights Act 1998.</p>	Keith Trowell, Team Leader (Corporate Governance), Legal Services 11.02.2020

Finance and other resources	None as the amount of relief awarded will be fully met by Central Government	Jane Fineman Head of Finance & Procurement 11.02.2020
Staffing establishment	Relief will be awarded using existing resources	Sheila Coburn Head of Revenues and Benefits Partnership 10.02.2020
Risk Management	<p>In introducing a scheme which is limited for 2 years, the council risks ratepayers perceiving a disproportionate increase in their rate liability when the scheme ends.</p> <p>The restrictions on state aid are complex and are likely to be unfamiliar to many small businesses, resulting in an increase in enquiries.</p> <p>To mitigate this risk, an explanatory note will be issued to those businesses that qualify for relief</p>	Sheila Coburn Head of Revenues and Benefits Partnership 10.02.2020
Data Protection	No impact identified	Sheila Coburn Head of Revenues and Benefits Partnership 10.02.2020
Environment and Sustainability	No impact identified	Sheila Coburn Head of Revenues and Benefits Partnership 10.02.2020
Community Safety	No impact identified	Sheila Coburn Head of Revenues and Benefits Partnership 10.02.2020
Health and Safety	No impact identified	Sheila Coburn Head of Revenues and Benefits Partnership 10.02.2020

Health and Wellbeing	No impact identified	Sheila Coburn Head of Revenues and Benefits Partnership 10.02.2020
Equalities	No impact identified	Sheila Coburn Head of Revenues and Benefits Partnership 10.02.2020

8. REPORT APPENDICES

- Appendix A: MHCLG Retail Relief guidelines
- Appendix B: Retail Relief Policy

9. BACKGROUND PAPERS

None