

REPORT FOR INFORMATION

REPORT TO:	CABINET
DATE:	18 OCTOBER 2017
SUBJECT:	BUSINESS RATES DISCRETIONARY PAYMENT SCHEME
REPORT FROM:	COUNCILLOR EAMONN O'BRIEN CABINET MEMBER FOR FINANCE AND HOUSING
CONTACT OFFICER:	STEVE KENYON , INTERIM EXECUTIVE DIRECTOR OF RESOURCES AND REGULATION
TYPE OF DECISION:	CABINET
FREEDOM OF INFORMATION/STATUS:	The report is for publication.
SUMMARY:	The report provides Members with a summary of the new Business Rates Discretionary Payments scheme which aims to help businesses which have seen recent increases in their Business Rates.
OPTIONS & RECOMMENDED OPTION	Council is asked to agree that the Scheme is introduced with effect from 1st April 2017.
IMPLICATIONS:	
Corporate Aims/Policy Framework:	Do the proposals accord with the Policy Framework? Yes
Statement by the S151 Officer: Financial Implications and Risk Considerations:	The scheme has been devised to distribute support to qualifying local businesses over a four year period.

Statement by Executive Director of Resources:	There are no wider resource implications
Equality/Diversity implications:	Business impact assessment undertaken
Considered by Monitoring Officer:	Yes JH The Council has the power to grant discretionary relief to businesses The Council must exercise its powers to give discretionary relief reasonably, fairly and consistently; and cannot apply policies which preclude the proper exercise of discretion.
Wards Affected:	All
Scrutiny Interest:	Overview & Scrutiny

TRACKING/PROCESS

DIRECTOR:

Steve Kenyon

Chief Executive/ Senior Leadership Team	Cabinet Member/Chair	Ward Members	Partners
Yes	Yes	n/a	n/a
Scrutiny Committee	Cabinet	Council	
No	18/10/17	n/a	

1.0 BACKGROUND

- 1.1 Business Rates are based on rateable value of business property. This is the amount of yearly rental income a property could be let for on the open market, and is set by the Valuation Office Agency.
- 1.2 Rateable values were reviewed from 1 April 2017 leading to changes in the amounts of Business Rates charged.
- 1.3 In the Spring Budget in March 2017 the Government announced funding would be made available to help local councils provide financial support to businesses who had seen an increase in their Business Rates following the revaluation of rateable values.

2.0 SCOPE OF THE SCHEME

- 2.1 The scheme will run for 4 financial years: 2017-18 to 2020-21.
- 2.2 The scheme is financed by the Government, who have allocated funding for the 4 financial years. See attached document for amounts of government funding.
- 2.3 There is no scope to transfer funding between financial years. Any relief awarded above the government thresholds will have to be funded by the Council.
- 2.4 The scheme will be introduced in autumn 2017 and backdated to 1 April 2017.

3.0 QUALIFYING CRITERIA

- 3.1 Primary criteria:
- an increase in rateable value during the 2017 revaluation effective from 1 April 2017
 - liable for occupied Business Rates charges on 31 March 2017 and 1 April 2017
 - an increase in Business Rates charged between financial Years 2016-17 and 2017-18, after all other reliefs have been applied
 - the increase in Business Rates between 2016-17 and 2017-18 must be £50 or greater
 - the 2017 rateable value of the business property must be £100,000 or less.
- 3.2 Discretionary Relief is not available for certain types of Business Rates accounts. In summary these are accounts which:
- do not have a direct benefit to the local community, and include advertising signs and communication masts
 - relate to public sector bodies. These include those owned by Bury Council and those relating to health and education.
- 3.3 Discretionary Relief is not available for properties which were empty as at 1 April 2017.

4.0 AMOUNTS OF DISCRETIONARY RELIEF

- 4.1 For the financial year 2017-18, the amount of Discretionary Relief will be 60% of the increase in the amount of Business Rates charged between 2016-17 and 2017-18.
- 4.2 For the financial years 2018-19 to 2020-21, the amount of Discretionary Relief will be a percentage of the increase in the business rates charged between the new financial year and the previous financial year. This percentage figure will be set prior to the start of each financial year.

- 4.3 In the final quarter of the financial year the amount of Discretionary Relief awarded will be reviewed. Any government funding not allocated will be awarded at the discretion of the Interim Director of Resources and Regulations and the Cabinet Member for Finance and Housing.

5.0 PROCESS

- 5.1 Eligible businesses will be identified from the Business Rates database. Discretionary Relief will be awarded automatically without the need for an application. This will:
- simplify administration to provide value for money for local residents
 - ensure as many businesses as possible benefit from the scheme.
- 5.2 Discretionary Relief will be awarded and assessed on a daily basis. The amount awarded will be recalculated if:
- the 2016 or 2017 rateable values change
 - the amount of business rates charged changes.
- 5.3 If entitlement to Discretionary Relief reduces the excess amount of relief will be withdrawn and made available to be allocated to other charge payers.
- 5.4 Discretionary Relief is intended to help businesses affected by the 2017 revaluation of rateable values. Therefore Discretionary Relief will end if:
- a charge payer stops being liable for Business Rates, due to a change of ownership or tenancy
 - a charge payer no longer occupies a business property.

6.0 CONSULTATION

The Council has a duty to consult with the Greater Manchester Combined Authority.

7.0 CONCLUSIONS

- 7.1 The Discretionary Relief scheme is targeted at small to medium sized businesses which have seen an increase in their Business Rates in 2017.
- 7.2 It is recommended that the scheme is introduced based on the proposals in section 3.
- 7.3 The scheme will be monitored closely to ensure that the government funding is used to help local businesses.

**COUNCILLOR EAMONN O'BRIEN
CABINET MEMBER FOR FINANCE AND HOUSING**

List of Background Papers:-

Business Rates Discretionary Relief scheme further information

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