

Meeting: Policy Development Decision Group
(Joint Operations Team)

Date: 6 November 2017

Wards Affected: All

Report Title: New Burdens Business Rate Relief Scheme

Is the decision a key decision? No

When does the decision need to be implemented?

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1. Proposal and Introduction

- 1.1 In the Spring Budget on 8 March 2017 the Government announced they would make available a discretionary fund of £300m over four years from 2017-18 to support those businesses that faced the steepest increases in their business rates bills as a result of the 2017 revaluation.
- 1.2 The scheme will be administered by billing authorities discretionary relief powers under section 47 of the Local Government Finance Act 1988.

2. Reason for Proposal

- 2.1 Central Government believes that local authorities are best placed to judge the particular circumstances of local ratepayers and direct funding where it is most needed to support local economies.
- 2.2 Each authority in England has been given a share of the £300m to support their local businesses, and given the task of developing and delivering a local discretionary relief scheme targeting the hardest pressed ratepayers.

Torbay has been awarded the following amounts:

Year 1: £211K

Year 2: £103K

Year 3: £42K

Year 4: £6K

The money will be received via a section 31 grant.

- 2.3 A discretionary policy has been designed within a Devon wide framework under the guidance of the Section 151 officers from across Devon. Each authority has adapted the framework policy taking into consideration the amount of money that has been allocated by central government.
- 2.4 The Department of Communities and Local Government are keen for authorities to roll out their discretionary schemes as soon as practical in order to ease the burden of business rates on ratepayers.
- 2.5 Under the policy, ratepayers will be identified by analysing the effect of the 2017 revaluation on the amount they have to pay. Where a ratepayer qualifies they will automatically be awarded relief up to the maximum amount for the relevant year, and a revised rate bill issued. Should there be monies remaining after the above exercise has been carried out, it will be made available for other ratepayers to apply for, with awards judged against the eligibility criteria.

3. Recommendation(s) / Proposed Decision

- 3.1 That the scheme set out in Appendix 1 be approved.

Appendices

Appendix 1: New Burdens Business Rate Relief Scheme

Appendix 2: Application form

Background Documents

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/620750/BRI_L_4-2017_Spring_Budget_update.pdf

The above link refers to the Spring Budget Update for the Discretionary Relief

Report Clearance

Report clearance:	This report has been reviewed and approved by:	Date:
Chief Executive	Steve Parrock	
Monitoring Officer	Anne-Marie Bond	23/10/17
Chief Finance Officer	Martin Phillips	
Relevant Director/Assistant Director	Fran Hughes	

Section 1: Background Information

1.	<p>What is the proposal / issue?</p> <p>To identify ratepayers who have experienced the highest increases in the amount of business rates payable as a result of the 2017 revaluation, and provide financial support to ease this burden.</p>
2.	<p>What is the current situation?</p> <p>Central government announced a discretionary scheme in the Spring Budget of 2017. The scheme is to be funded by central government but under the responsibility of each local authority within England.</p>
3.	<p>What options have been considered?</p> <p>The government is monitoring progress of the development of the discretionary schemes and publishing information on those authorities who have introduced their schemes.</p> <p>Torbay's policy has been developed under a Devon wide framework in conjunction with section 151 officers. Major preceptors have also been consulted.</p>
4.	<p>How does this proposal support the ambitions, principles and delivery of the Corporate Plan?</p> <p>The policy will allow financial support to businesses over the next four years that will help support continued employment with Torbay by reducing the financial burden on existing businesses</p>
5.	<p>How does this proposal contribute towards the Council's responsibilities as corporate parents?</p> <p>Not applicable</p>
6.	<p>How does this proposal tackle deprivation?</p> <p>It will help reduce the financial burden of local businesses allowing more money to be retained within the local economy.</p>
7.	<p>Who will be affected by this proposal and who do you need to consult with.</p> <p>Local businesses that meet the criteria of the scheme will benefit from reduced Business Rate bills over the next four years. The cost of this will be borne by Central Government.</p> <p>Consultation is required with the major preceptors: Devon and Cornwall Police Commissioner and Devon and Somerset Fire Authority.</p>

8.

How will you propose to consult?

Under the guidance given by Central Government, in order to reclaim the funding of the scheme through the Section 31 Grant, major preceptors have to be consulted.

Devon and Cornwall Police Authority and Devon and Somerset Fire Authority have therefore been provided with a summary of Torbay Council's scheme.

Section 2: Implications and Impact Assessment

9.	<p>What are the financial and legal implications?</p> <p>The requirement to have a Discretionary policy was introduced by Central Government during the Spring Budget on 8 March 2017. Local Authorities are required to have their policy in place at the earliest opportunity.</p>
10.	<p>What are the risks?</p> <p>Failure to have a policy in place may result in Central Government imposing a penalty on the council. No specific details have been published.</p>
11.	<p>Public Services Value (Social Value) Act 2012</p> <p>Not applicable</p>
12.	<p>What evidence / data / research have you gathered in relation to this proposal?</p> <p>Modelling of the 2017 Rating List has taken place in order to produce a scheme that is both focused on local businesses and affordable within the allocation of Central Government funding.</p>
13.	<p>What are key findings from the consultation you have carried out?</p> <p>Outcome of the compulsory consultation with the Devon and Cornwall Police Commissioner and Devon and Somerset Fire Authority is still to be received.</p>
14.	<p>Amendments to Proposal / Mitigating Actions</p> <p>Still waiting outcome of consultation</p>

Equality Impacts

15	Identify the potential positive and negative impacts on specific groups			
		Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
	Older or younger people			The policy will not target individual groups of people, but will benefit the population of Torbay as a whole who will have access to all the businesses where relief has been awarded
	People with caring Responsibilities			The policy will not target individual groups of people, but will benefit the population of Torbay as a whole who will have access to all the businesses where relief has been awarded
	People with a disability			The policy will not target individual groups of people, but will benefit the population of Torbay as a whole who will have access to all the businesses where relief has been awarded
	Women or men			The policy will not target individual groups of people, but will benefit the population of Torbay as a whole who will have access to all the businesses where relief has been awarded
	People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>			The policy will not target individual groups of people, but will benefit the population of Torbay as a whole who will have access to all the businesses where relief has been awarded

Religion or belief (including lack of belief)			The policy will not target individual groups of people, but will benefit the population of Torbay as a whole who will have access to all the businesses where relief has been awarded
People who are lesbian, gay or bisexual			The policy will not target individual groups of people, but will benefit the population of Torbay as a whole who will have access to all the businesses where relief has been awarded
People who are transgendered			The policy will not target individual groups of people, but will benefit the population of Torbay as a whole who will have access to all the businesses where relief has been awarded
People who are in a marriage or civil partnership			The policy will not target individual groups of people, but will benefit the population of Torbay as a whole who will have access to all the businesses where relief has been awarded
Women who are pregnant / on maternity leave			The policy will not target individual groups of people, but will benefit the population of Torbay as a whole who will have access to all the businesses where relief has been awarded
Socio-economic impacts (Including impact on child poverty issues and deprivation)			The policy will not target individual groups of people, but will benefit the population of Torbay as a whole who will have access to all the businesses where relief has been awarded

	Public Health impacts (How will your proposal impact on the general health of the population of Torbay)			The policy will not target individual groups of people, but will benefit the population of Torbay as a whole who will have access to all the businesses where relief has been awarded
16	Cumulative Impacts – Council wide (proposed changes elsewhere which might worsen the impacts identified above)	If the ratepayer is a sole trader, by reducing the Business Rates charge through the award of relief, the additional income available could be used to lessen the impact of Council Tax payable by the ratepayer.		
17	Cumulative Impacts – Other public services (proposed changes elsewhere which might worsen the impacts identified above)	None		