

**CABINET**

**COUNCILLOR GARETH LYON  
CONCESSIONS AND COMMUNITY SUPPORT  
PORTFOLIO HOLDER**

**25TH JULY 2017**

**REPORT NO. FIN1725**

**KEY DECISION? ~~YES~~/NO**

**BUSINESS RATES – NEW DISCRETIONARY RELIEF POLICIES FOR  
SUPPORTING SMALL BUSINESSES AND PUBS**

**SUMMARY AND RECOMMENDATIONS:**

Cabinet are recommended to:

- 1) Establish a local Supporting Small Businesses Relief Policy and Pub Relief policy for reducing business rates liabilities as set out in this report, and;
- 2) Delegate responsibility for applying the reliefs to the Head of Financial Services.

**1. INTRODUCTION**

- 1.1 This report seeks to adopt two local policies to enable the Council to award Supporting Small Businesses Relief and Pub Relief from Business Rates with effect from 1 April 2017 to local ratepayers.

**2. BACKGROUND**

- 2.1 In the Spring Budget 2017, on 8<sup>th</sup> March 2017, the Chancellor announced three new schemes of Discretionary Rate Relief to support those Business Ratepayers who are having large increases to their bills following the national 2017 revaluation.
- 2.2 These new reliefs are known as Supporting Small Businesses Relief, Pub Relief and Revaluation Relief.
- 2.3 The Government has provided guidance, which sets out the criteria for awarding Supporting Small Businesses Relief and Pub Relief. This guidance has been used in developing the Council's local policy. This guidance does not replace existing legislation or any other relief.
- 2.4 The Government has also provided guidance for Revaluation Relief. However, this relief is more complex and requires consultation with other precepting authorities. Details on Revaluation Relief will follow in a separate report at a later date.

### 3. DETAILS OF THE PROPOSAL

#### General

- 3.1 Full details of Supporting Small Businesses Relief and Pub Relief are included in Annexe 1 and Annexe 2 of this report. A summary of these reliefs are outlined in paragraphs 3.2 to 3.6 below.
- 3.2 **Supporting Small Businesses Relief** - The Chancellor announced that a scheme of relief would be made available to those ratepayers facing large increases to their business rates bills as a result of the losing some or all of their small business rate relief following the 2017 revaluation.
- 3.3 To support these ratepayers, the Supporting Small Businesses Relief will ensure that the increase per year in the business rates bill is limited to the greater of:
- A cash value of £600.00 per year; or
  - A percentage increase per annum of 5%, 7.5%, 10%, 15% and 15% respectively in years 2017/18 to 2021/22, plus inflation.
- 3.4 **Pub Relief** – The Chancellor also announced a new relief scheme for pubs that have a rateable value of below £100,000.
- 3.5 Under the scheme, eligible pubs will receive a £1,000 discount on their bill.
- 3.6 This relief will have effect for 2017/18 only.

### 4. IMPLEMENTATION

- 4.1 Once the schemes are approved, new software will be applied to the Business Rates system to accurately identify all those eligible for Supporting Small Businesses Relief. Those eligible for the Pub Relief scheme have already been identified using both the business rates system information available to us and in conjunction with our colleagues in Licensing.
- 4.2 All businesses that are potentially eligible for either scheme, will be written to, enclosing a simple application form, which will need to be signed and returned to the Council. Under the requested delegation set out in the recommendations, the Head of Financial Services will then make the necessary award and amended bills will be issued (subject to State Aid regulations).
- 4.3 The schemes will also be available on the Council's website.

## **5. IMPLICATIONS**

### **Legal Implications**

- 5.1 Local Authorities are expected to deliver the scheme through the use of their discretionary relief powers under Section 47 of the Local Government Finance Act 1988.

### **Financial and Resource Implications**

- 5.2 It is Small Businesses Relief to the value of £46k in 2017/18 (reducing thereafter) and approximately 29 ratepayers will qualify for Pub Relief to the value of £29k for 2017/18 only.
- 5.3 Central Government will reimburse billing authorities awarding Supporting Small Businesses Relief and Pub Relief within the rates retention scheme for the actual cost of awarding relief.
- 5.4 The Department for Communities and Local Government (DCLG) recognises that implementing new schemes places additional burdens on billing authorities. DCLG have advised that Rushmoor Borough Council will receive £12,000 in 2017/18 (under the New Burdens regime) towards the cost of implementing the three schemes announced in the budget.
- 5.5 Therefore there will be no financial impact on the Council but would have a benefit to certain ratepayers within the Borough.

## **5. CONCLUSIONS**

- 5.1 In conclusion, Cabinet are asked to approve two new discretionary rate relief policies as attached at Annex 1 and Annex 2 of this report - Supporting Small Businesses Relief and Pub Relief.
- 5.2 The reliefs will be delivered using existing Discretionary Relief Powers under Section 47 Local Government Finance Act 1988 and the Council will be reimbursed for all relief awarded these schemes.
- 5.3 The Council will receive a grant towards the cost of implementation.
- 5.4 The schemes will benefit smaller ratepayers in the Borough by the provision of a transitional scheme that will reduce the burden on small businesses that have fallen out of Small Business Rates Relief due to the 2017 revaluation exercise and by a £1,000 relief payable in 2017/18 to eligible pubs.

**BACKGROUND DOCUMENTS:**

Business Rates Information Letter (4/2017): Spring Budget Update

[www.gov.uk/government/publications/42017-spring-budget-update](http://www.gov.uk/government/publications/42017-spring-budget-update)

Local Government Finance Act 1988, Section 47.

Non-Domestic Rating (Discretionary Relief) Regulations 1989 (SI 989 1059).

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