



Date of Meeting	26 th February 2020
Portfolio	Leader of the Council and Portfolio Holder for Finance
Report Author	Keith Mackenzie
Public/Private Document	Public

2020/21 Discretionary Business Rate Relief Policy

Executive Summary

1. It is expected that the Government's March Budget will announce additional Discretionary Business Rate Relief's which will require the Policy to be amended for 2020/21.

A draft 2020/21 Policy document is attached at appendix 1. This currently assumes that all the recommendations are adopted, but this document will only be finalised after the budget on 11 March 2020.

Budget Council on 26 February 2020 will be asked to make decisions on recommendations 2.4 and 2.5.

Recommendations

- 2.1 Cabinet is asked to note an increase to 50% of Retail Relief from 1 April 2020. This will be announced by Government in the 2020 budget and will be fully funded by Section 31 grant.
- 2.2 Cabinet is asked to note the introduction of Pub Relief from 1 April 2020. This will be announced by Government in the 2020 budget and will be fully funded by Section 31 grant.
- 2.3 Cabinet is asked to note the extension of the £1,500 business rate discount for local newspapers' office space for 2020/21. This will be announced by Government in the 2020 budget and will be fully funded by Section 31 grant.
- 2.4 The Chief Finance Officer, in consultation with the Cabinet Member for Finance, be given delegated authority to finalise the 2020/21 Discretionary Business Rate Relief Policy following the Government's 2020 budget which will take place on 11 March 2020. This includes the specific items in 2.1, 2.2 and 2.3, but any other announcements that may need to be incorporated.
- 2.5 Cabinet is asked to recommend approval of relief of £90 to qualifying businesses who experienced a large increase in their rateable value following the 2017 revaluation. This scheme was introduced by Government in the 2017

budget for a period of 4 years from 1 April 2017. This will be fully funded by Section 31 grant.

Reason for Recommendation

3. The changes to the Policy will all be announced by Government in the 2020 budget. The change at 2.5 was introduced by Government in the 2017 budget. All the changes must be administered by the Council using discretionary powers.

Key Points for Consideration

- 4.1 The powers for granting discretionary rate relief by Councils are provided in Sections 44a, 47 and 49 of the Local Government Finance Act 1988 which was amended by the Localism Act 2011 to incorporate wider powers to grant relief under local discretion. The role of local authorities in the business rate system in the past has been to administer the system prescribed by Central Government.
- 4.2 Retail Relief was introduced from 1 April 2019 for a period of 2 years. Qualifying businesses were eligible to receive a one third discount off their bill. From 1 April 2020, Retail Relief will be increased to a one half discount. Retail premises that are open to the public and have a rateable value below £51,000 will qualify. Cinemas and music venues will be added to the list of qualifying businesses from 1 April 2020.
- 4.3 Government is re-introducing Pub Relief from 1 April 2020 at a flat rate of £1,000. Pubs that are open to the public and have a rateable value below £100,000 will qualify. This will be paid in addition to Retail Relief.
- 4.4 Government is further extending the £1,500 business rate discount for local newspapers' office space. This was introduced by Government from 1 April 2017 for 2 years. It was extended for 2019/20 and being further extended for 2020/21 and for a further period of 4 years to 31 March 2025.
- 4.5 Government determined that businesses who experienced a large rise in their rateable value in the 2017 revaluation should be given relief for a period of up to 4 years from 1 April 2017. The funding allocated by Government for 2020/21 is £7,395, which equates to £90 for each qualifying businesses.

Alternatives Considered

- 4.6 The changes to the Policy (recommendations 2.1, 2.2, 2.3 and 2.5) have been determined by Government and the Council is directed to implement. No alternatives have therefore been considered.

Costs and Budget Summary

5. There are no direct financial implications for the Council arising from this report. All the reliefs are fully funded by Government by way of grant.

Risk and Policy Implications

6. None

Consultation

7. Consultation is not required to implement the changes in this report.

Background Papers	Place of Inspection
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8.

Not applicable

For Further Information Contact:	Keith Mackenzie, Tel: 01706 926003, Keith.Mackenzie@Rochdale.Gov.UK
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