

**NORTH LINCOLNSHIRE COUNCIL  
OFFICER DECISION NOTICE AND RECORD  
(PUBLISHED)**

**NEW DISCRETIONARY RATE RELIEF SCHEME 2017/21**

1. To set the criteria for the New Discretionary Relief Scheme funded through the Spring Budget 2017. The decision was delegated to the Director Governance and Partnerships in consultation with the cabinet member Business Transformation and Finance, minute 7 of 16 August 2017, of the said cabinet member.

<b>EXECUTIVE</b>	<b>YES</b>	<b>NON-EXECUTIVE</b>	<b>(Please tick either)</b>		
<b>IS THIS A 'KEY DECISION' ? (see definition overleaf)</b>				<b>Yes</b>	
<b>DOES THIS DECISION RELATE TO EXEMPT INFORMATION?</b>					<b>No</b>
<b>EXEMPT PARAGRAPH REFERENCE (NOT TO BE PUBLISHED)</b>					

<b>2. OFFICER DECISION TAKER</b>	<p><b>NAME</b>                    <b>Becky McIntyre</b></p> <p><b>POSITION/POST</b> <b>Director Governance and Partnerships</b></p> <p style="text-align: center;"><i>Becky McIntyre</i></p> <p><b>SIGNATURE</b></p> <p><b>DATE</b>                    <b>26 September 2017</b></p>
<b>3. REASONS FOR THE DECISION (Please ref to any report/minute/ background documents attached)</b>	<p>The scheme will provide support to eligible businesses with a rateable value of less than £200k which have experienced an increase of more than 12.5% in their business rates as a result of the 2017 revaluation.</p> <p>The full details of the scheme and eligibility criteria are set out in the attached report and appendix. These will be published on the council website and the council will contact potentially eligible businesses to make them aware of the scheme and support them through the application process.</p> <p>There is no financial impact to the council, as the reliefs will be fully reimbursed by government.</p>

<p><b>4. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED (BY DECISION TAKER(S))</b></p>	<p>The criteria for the scheme are for the council to determine. Adopting the Government guidelines for support (under £200k RV, 12.5% increase or more), the scheme focusses support on the retail sector. To offer a wider scheme could result in an over-commitment of the available funding or a lower level of support for applicants.</p>
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*TO BE COMPLETED BELOW - **ONLY** WHEN A DELEGATED OFFICER DECISION REQUIRES PRIOR CONSULTATION WITH A MEMBER (LEADER OF THE COUNCIL, CABINET MEMBER/CHAIRMAN OF A COMMITTEE) IN ACCORDANCE WITH THE 'SCHEME OF DELEGATIONS TO OFFICERS' OR DECISION/MINUTE OF COUNCIL/COMMITTEE OR DECISION/MINUTE OF CABINET/CABINET MEMBER.*

<p><b>5. DECISION REQUIRED TO BE TAKEN IN CONSULTATION WITH RELEVANT MEMBER</b></p>	<p>COUNCILLOR John Davison</p> <p>POSITION Cabinet Member for Business Transformation and Finance</p> <p>SIGNATURE </p> <p>DATE 27/09/2017</p>
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<p><b>6. ANY CONFLICT OF INTEREST DECLARED BY ANY EXECUTIVE (CABINET) MEMBER (S) CONSULTED, WHICH RELATES TO THE DECISION, OR (NON-EXECUTIVE) – ANY MEMBER OF THE COMMITTEE THAT DELEGATED THE DECISION TAKEN</b></p>	<p>Family member of Director of Governance and Partnership is a business rate payer</p>
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<p>7. WITH REFERENCE TO 6. ABOVE - HAS ANY DISPENSATION BEEN GRANTED TO THE EXECUTIVE (CABINET) MEMBER? (ONLY APPLIES TO EXECUTIVE)</p>	<p>No</p>
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**PLEASE REMEMBER TO ATTACH ANY ACCOMPANYING REPORT.**

**WHEN COMPLETE, PLEASE SEND TO HEAD OF DEMOCRATIC SERVICES, CIVIC CENTRE, SCUNTHORPE FOR PUBLISHING.**

**(The definitions of a key decision are when an executive decision is likely -**

(i) to result in the Council incurring expenditure or the making of savings (including the receipt or loss of income) over £350,000 in any one financial year; or

(ii) to be significant in terms of its effect on communities living or working in an area comprising two or more wards or electoral divisions in the area of the local authority).

**NORTH LINCOLNSHIRE COUNCIL**

**DIRECTOR OF GOVERNANCE AND  
PARTNERSHIPS**

**New Discretionary Rate Relief Scheme 2017/21**

**1. OBJECT AND KEY POINTS IN THIS REPORT**

- 1.1 To establish a New Discretionary Rate Relief Scheme for small businesses with the greatest increases in rate bills following the statutory 2017 Rate Revaluation exercise.
- 1.2 The decision on the terms of the scheme was delegated to the Director Governance and Partnerships in consultation with the cabinet member Business Transformation and Finance.

**2. BACKGROUND INFORMATION**

- 2.1 In the 2017 Spring Budget the Chancellor announced that the Government would make available a discretionary fund of £300 million over four years from 2017/2018 for local councils to support businesses following the 2017 revaluation. The fund would be targeted at ratepayers that have been adversely affected, and face the steepest increase in their business rates bill because of the revaluation.
- 2.2 The funding is administered through each billing authorities' discretionary relief powers under section 47 of the Local Government Act 1988. Therefore, it is for the council to adopt a local scheme, which considers the particular circumstances of local ratepayers, and directs the funding where it is most needed to support local economies.
- 2.3 It is one of three discretionary schemes the Government will fund to phase in the increase in rates for businesses. The relief is effective from 1 April 2017 and applies for a year at a time. The support is phased out over a four-year period.
- 2.4 The cabinet member Business and Transformation determined (Minute 7 of 16 August 2017):
  - (a) That the introduction of the new Business Rates Relief schemes to allow the council to award reliefs to qualifying properties under section 47 on the Local Government Finance Act 1988, as amended, be approved, and
  - (b) That the decision for the approval of the qualifying criteria for the new discretionary relief scheme be delegated to the Director: Governance and Partnership in consultation with the Business, Transformation and Finance Cabinet Member.

### **3. OPTIONS FOR CONSIDERATION**

3.1 The proposed local scheme follows closely the criteria set by Government when making the funds available. It will be for

- Ratepayers who have experienced an increase of more than 12.5% (before any other reliefs have been applied) as a direct result of revaluation in the amount payable for 2017/18 compared to their 2016/17 rates bill.
- Where the rateable value of the property is less than £200,000
- The hereditament is being used for the sale of goods/services to members of the public
- The ratepayer is not in receipt of any other Mandatory/Discretionary Relief
- The ratepayer was in occupation of the property before 1 April 2017

3.2 In addition the following criteria will be taken into account, as is the case for other local discretionary schemes:

- The employment & other economic benefits provided by the applicant
- The financial position of the applicant
- There is no detriment to Local Council tax payers
- Granting the relief is in the interests of the local community

3.3 To ensure that the support is properly targeted the scheme proposes a list of exclusions such as national chains, financial, professional and other services so that the scheme focusses support on the retail sector. The relief is also subject to, and must comply with, EU law on state aid limits; and so take account of any other rate relief that businesses are receiving. Further detail is provided in the appendix.

3.4 It is proposed that the Council identify businesses which may be eligible for the relief based on the criteria within this policy; and proactively engage with businesses by contacting them to invite an application. It will also offer support in making an application so that businesses can access the available funding. The council commits to operate the scheme in a fair and transparent way ensuring its powers are used sensibly, consistently and coherently to benefit the community as a whole.

### **4. ANALYSIS OF OPTIONS**

4.1 Following the criteria used by Government to distribute funds to local authorities, and focussing on the retail sector will ensure that the right businesses are targeted for support. The purpose of the relief is to maximise benefit for local businesses within the limit of the funding available.

### **5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)**

5.1 The government has established a £300m discretionary fund over four years and each council will receive an allocation of this fund based. North Lincolnshire Council's allocation of the £300m is as follows:

2017/18 - £280k  
2018/19 - £136k  
2019/20 - £56k  
2020/21 - £8k

5.2 It is proposed that the support awarded is set at the level of the funds available in each financial year. The funding allocation has to be spent in-year.

6. **OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)**

6.1 N/A

7. **OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED**

7.1 Director of Governance and Partnerships declared an interest that a family member is a business rate payer.

8. **RECOMMENDATIONS**

8.1 That the New Discretionary Rate Relief Scheme set out in the appendix to this report be approved.

HEAD OF FINANCIAL SERVICES

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SCUNTHORPE  
North Lincolnshire  
DN16 1AB  
Author: Peter Fijalkowski  
Date: 25 September 2017

**Background Papers used in the preparation of this report:**

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

### New Discretionary Rate Relief Scheme 2017/21

#### Overview

This policy provides the councils guidance in relation to discretionary business rate discounts under funding provided in the Spring Budget 2017. It provides the eligibility criteria which the council will use to deal with any application received.

#### Background

In the 2017 Spring Budget the Chancellor announced that the Government would make available a discretionary fund of £300 million over four years from 2017/2018 for local councils to support businesses following the 2017 revaluation. The fund will be targeted at ratepayers that have been adversely affected, and face the steepest increase in their business rates bill as a result of the revaluation.

Every billing authority in England will be provided with a share of the £300 million to support their local businesses. This is administered through each billing authorities' discretionary relief powers under section 47 of the Local Government Act 1988.

The provided relief is effective from 1 April 2017 and applies for a year at a time. The value is gradually reduced over a four-year period.

North Lincolnshire Council will identify businesses which may be eligible for the relief based on the criteria within this policy. The council will proactively engage with businesses by contacting them to invite an application, and will offer support in making an application so that businesses can access the available funding.

The council will operate the scheme in a fair and transparent way ensuring its powers are used sensibly, consistently and coherently to benefit the community as a whole.

The following criteria will be taken in to account when determining whether an award may be made:

- The employment & other economic benefits provided by the applicant
- The financial position of the applicant
- There is no detriment to Local Council tax payers
- Granting the relief is in the interests of the local community

#### Eligibility

Eligibility *may* apply if:

- The ratepayer has experienced an increase of more than 12.5% (before any other reliefs have been applied) as a direct result of revaluation in the amount payable for 2017/18 compared to their 2016/17 rates bill.
- The rateable value of the property is less than £200,000
- The hereditament is being used for the sale of goods/services to members of the public.
- The ratepayer is NOT in receipt of any other Mandatory/Discretionary Relief
- The ratepayer was in occupation of the property before 1 April 2017

The relief is also subject to, and must comply with, EU law on state aid limits. Local rate relief shall not be awarded in any circumstances where it appears that an award will result in the ratepayer receiving state aid that is above the current de minimis level. Each application must be accompanied by a statement signed by the appropriate person representing the business setting out the amount of state aid, including but not limited to discretionary rate relief, which the ratepayer has received within the previous three years. Applications shall not be considered until this statement is received.

Hereditaments/ratepayers who will be NOT considered (the list is not exhaustive)

- National chains or organisations
- Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, betting shops, pawn brokers)
- Other services (e.g. estate agents, letting agents, employment agencies)  
Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)  
Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors)
- Post office sorting offices
- Ratepayers occupying a property within an Enterprise Zone
- Ratepayers taking occupation after 1 April 2017
- Hereditaments which were not on the rating list at 1 April 2017. (Relief will not apply where properties are entered into the list retrospectively)
- Relief will not be considered if the property is empty and/or benefitting from empty property relief
- Ratepayers who are in receipt of small business rate reliefs support
- Ratepayers who are in receipt of re-occupation relief
- Ratepayers who are in arrears from previous financial years

#### **Other conditions**

- Any reductions to the rateable value or the granting of any Mandatory Relief may result in any awarded relief being revoked
- Support relief may be revoked if any other relief or exemption is awarded.
- No additional relief support will be awarded in the event of a further increase to a property's rateable value
- Relief support may be revoked in the event of a rateable value backdated reduction
- The property must be occupied
- As this is a Discretionary Policy there is no statutory right of appeal on any decision made

#### **Notice Periods**

The Non-Domestic Rating (Discretionary Relief) Regulations 1989 (S.I. 1989/1059)<sup>1</sup> require the council to provide ratepayers with at least one year's notice in writing before any decision to revoke or vary a decision so as to increase the amount of business rates the ratepayer has to pay takes effect. Such a revocation or variation of a decision can only take effect at the end of a financial year. Within the Government regulations, local authorities may still make decisions which are conditional upon eligibility criteria or rules for calculating relief which allow the amount of relief to be amended within the year to reflect changing circumstances. Therefore the relief will be applicable for one year at a time with effect from 1 April 2017 and a new application will be needed each year. ENDS