

**REPORT TO: EXECUTIVE**  
**Date: 4 MARCH 2019**  
**TOPIC: BUSINESS RATES RELIEF**  
**REPORT BY: HEAD OF RESOURCES**

## 1 INTRODUCTION

- 1.1 Section 47 of the Local Government Finance Act (LGFA)1988 enables the Council to exercise discretion to award rate relief in respect of properties occupied by charities and other not for profit organisations. It also allows billing authorities to grant locally determined discretionary business rate discounts in any circumstances provided it is in the interests of the local taxpayers to do so.
- 1.2 North Devon Council's policy for the granting of Discretionary Non-Domestic Rates Relief was approved by Executive on 2 October 2017 and adopted with effect from 1 April 2017.
- 1.3 In the 2018 Autumn Budget, the Chancellor announced a new business rate relief scheme for retail properties with a rateable value below £51,000.
- 1.4 The Chancellor also announced an extension of one year to the business rates relief for local newspaper office space.
- 1.5 To amend the Discretionary Business Rate Relief scheme for Year 3 (2019/2020)
- 1.6 This report incorporates the new, amended and extended reliefs into our current policy to be effective from 1 April 2019.

## 2 RECOMMENDATIONS

- 2.1 That Executive adopts the revised policy for the granting of Discretionary Non-Domestic Rates Relief attached Appendix 1 and Appendices A-K with effect from 1 April 2019.

## 3 REASONS FOR RECOMMENDATIONS

- 3.1 It is good practice for the Council to have readily understood guidelines for deciding whether or not to grant relief and for determining the amount of relief. It is also desirable that any criteria by which an individual case is judged should be made public to help interested individuals and bodies
- 3.2 In order to stimulate local business growth and retain local businesses and jobs within North Devon, it is proposed the Council applies available powers to offer the extension to Local Newspaper Relief, the new Retail Discount and the amended Discretionary Business Rate Relief Scheme to businesses when it is evident that this would be a real benefit to local taxpayers to do so. The purpose of this new

policy is to attract, develop and retain businesses within the District, encouraging them to expand, create jobs and provide economic value to the area.

- 3.3 To incorporate the new business rate reliefs announced in the Autumn Budget and the amendment to the Discretionary Business Rate Relief Scheme in to the policy for the granting of Discretionary Non-Domestic Rates Relief.

#### 4 CONSTITUTIONAL CONTEXT

Article or Appendix and paragraph	Referred or delegated power?	Key decision?
Part 3 Annex 4	Delegated	Yes

#### 5 REPORT

- 5.1 In the 2018 Autumn Budget, the Chancellor announced a new business rate relief scheme for retail properties with a rateable value below £51,000 and an extension of one year to the business rates relief for local newspaper office space. Both are prescribed by Central Government and are to be applied to qualifying businesses. Section 31 (Local Government Act 2003) grants are to be made available to Council's adopting the recommended approach.

- 5.2 The new measures announced in the Autumn Budget are as follows;

**Retail Discount (Appendix J).** The Government recognises that changing consumer behaviour presents a significant challenge for retailers in our town centres and has taken action to help the high street evolve with a new relief scheme for retail properties with a rateable value below £51,000. This is a temporary relief for 2019-2020 and 2020-2021 awarding a one third discount. Awards of this relief are to be made in accordance with Central Government guidelines and any amount granted will be reimbursed to the Council by a section 31 grant.

**Local Newspaper Relief (Appendix F).** This was a temporary relief for 2017-2018 and 2018-2019, awarding a grant of £1,500 in line with the eligibility criteria set out in guidance produced by Central Government. The relief has been extended for a further year, 2019/2020. Any amount granted will be reimbursed to the Council by a section 31 grant.

- 5.3 **Discretionary Business Rate Relief Scheme (Appendix I).** North Devon Council's existing policy for the Discretionary Business Rate Relief Scheme for Year 3 (2019/2020) was to award relief on a case by case basis. A review has identified that this approach is unlikely to award all of the share of the fund allocated by Central Government.

The proposal is that the amount of relief awarded for Year 3 (2019/2020) is amended from a case by case basis to a formula based award at 40% of the relief granted in 2018/2019. Therefore ensuring the Council's funding from Central Government is allocated and we maximise the help we are able to give to ratepayers.

5.4 North Devon Council's existing policy for the granting of Discretionary Non-Domestic Rates Relief previously approved in October 2017 has been amended to incorporate the measures announced in the Autumn Budget and the revised Discretionary Business Rate Relief Scheme. **No other changes have been made.**

## 6 RESOURCE IMPLICATIONS

6.1 There is a cost to the taxpayers of North Devon Council.

6.2 The reliefs announced in the Autumn Budget will be reimbursed by a section 31 grant.

6.3 The Discretionary Business Rate Relief Scheme should be cost neutral and the government will only reimburse the local authority up to the annual limit set.

6.4 There are no additional human resource implications.

## 7 STATEMENT OF CONFIDENTIALITY

7.1 This report contains no confidential information or exempt information under the provisions of Schedule 12A of 1972 Act.

## 8 BACKGROUND PAPERS

8.1 The background papers are available for inspection and kept by the author of the report.

## 9 STATEMENT OF INTERNAL ADVICE

9.1 The author (below) confirms that advice has been taken from all appropriate Councillors and officers.

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Executive Member: Cllr R Edgell & Cllr G Lane

Author: Angela McCoy                      Date: 29 January 2019

Reference: Section 47 of the Local Government Finance Act (LGFA)1988

Section 69 of the Localism Act 2011

Section 31 of the Local Government Act 2003