

Somerset West and Taunton Council

Shadow Scrutiny 4 February 2019

Business Rates Discretionary Relief Policy

This matter is the responsibility of Executive Councilors: Andrew Sully
& Martin Dewdney

Author: Dean Emery Principal Revenues & Debt Recovery Officer

1 Executive Summary

1.1 Shadow Scrutiny is asked to consider the Discretionary Rates Relief Policy which contains some minor changes and a new relief brought in by the government in the Autumn Statement 2018 called 'Retail Discount'. The Policy has also been reviewed, these changes are shown under the recommendations.

1.2 As part of the policy refresh process the Principal Officer held drop in sessions where Business Rates and the Reliefs were discussed

2 Recommendations

- 2.1 Charity 'Top Up' relief is capped at 10%
- 2.2 Local Newspaper Relief Continues into 2019/20 (fully funded)
- 2.3 Retail Discount from 2019/20 for two years (fully funded)
- 2.4 Local Discretionary Relief for Young/New Businesses/Innovation Centers
- 2.5 Depending on the legal setup either 100% Discretionary Relief, if 80% Mandatory Relief is paid then 20% 'top up' relief would be awarded
- 2.6 Ratable Value Restriction of £200k(RV)
- 2.7 Shadow Scrutiny is also asked to recommend the policy to Shadow Full Council 21/02/2019

3 Risk Assessment (if appropriate)

Risk Matrix

Description	Likelihood	Impact	Overall
There is a risk to the Council's reputation should any reliefs be applied inconsistently or unfairly	3	3	9
<i>The mitigations for this are the proposed changes as set out in the report - A robust policy to provide clear guidelines to staff making such decisions and allow an element of discretion in exceptional circumstances.</i>	2	2	4

Likelihood	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
Impact							

Likelihood of risk occurring	Indicator	Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at same time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally	50 – 75%
5. Very Likely	Regular occurrence (daily / weekly / monthly)	> 75%

4 Background

- 4.1 A range of Mandatory and Discretionary Rate Reliefs reduce (in some cases to Nil) the amount of Non-Domestic Rates (commonly known as business rates) a business or organisation has to pay. The qualifying rules and levels of relief for Mandatory Reliefs are set by Government and are the same throughout the country. The rules and levels of award for Discretionary Rate reliefs are set by each Council and as such may vary from Council to Council.

5 Links to Corporate Aims / Priorities

In utilising an effective way to assess and award reliefs it helps achieve consistency and manages financial risks. It maintains good governance and internal control.

6 Finance / Resource Implications

- 7.1 Unless fully funded by the Government through s31 grant all relief awarded costs Somerset West and Taunton Councils 44% from 01/04/2019.
- 7.2 The tier split for the Government is 25%, County Council 30% & the Fire Authority 1%
- 7.3 The Estimate of funded Discretionary Reliefs for 2019/20 is £ 1,547,251
- 7.4 The Estimate of Un-funded Discretionary Reliefs for 2019/20 is £ 609,733
- 7.5 The Estimate of Mandatory Reliefs for 2019/20 is £ 10,946,656

8. Legal Implications

8.1 Show there be an appeal this would be subject to an internal review

8.2 Taxpayer have a legal right to seek a 'Judicial Review'

9. Environmental Impact Implications

9.1 There are no environmental implications associated with this report.

10. Safeguarding and/or Community Safety Implications

10.1 Safeguarding and community safety implications have been considered, and there are not expected to be any specific implications relating to this report.

11. Equality and Diversity Implications

11.1 There are no known Equality and Diversity Implications

12. Social Value Implications

12.1 There are no social value implications associated with this report

13. Partnership Implications

13.1 Partnership implications have been considered, and are discussed in the main body of this report.

14. Health and Wellbeing Implications

14.1 There are no Health and Wellbeing implications associated with this report.

15. Asset Management Implications

15.1 There are no asset management implications associated with this report.

16. **Consultation Implications**

16.1 There are no Consultation implications associated with this report.

17. **Scrutiny Comments / Recommendation(s)**

17.1 (enter when known)

Democratic Path:

- 17.1.1 **Strategic Forum - Yes**
- 17.1.2 **Shadow Scrutiny - Yes**
- 17.1.3 **Shadow Full Council - Yes**

Reporting Frequency: **Once only**

List of Appendices (delete if not applicable)

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