

**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet **DATE:** 9<sup>th</sup> March 2015

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**WARD(S):** All

**PORTFOLIO:** Councillor Anderson; Commissioner for Finance & Strategy

**PART I**  
**KEY DECISION**

**BUSINESS RATES TRANSITIONAL RELIEF DISCRETIONARY POLICIES**  
**2015-16 AND 2016-17**

1 **Purpose of Report**

The purpose of the report is to seek approval for one new policy in relation to Business Rates collection.

2 **Recommendation(s)/Proposed Action**

The Cabinet is requested to resolve that the 'Business Rates Relief – Extension of Transitional Relief for 2015-16 and 2016-17' policies, as detailed in Appendix A, be approved.

3 **Slough Joint Wellbeing Strategy Priorities and Five Year Plan**

The awarding of relief businesses in line with government guidance is a the key priority of the Council

This policy supports the Five Year Plan through the Business outcome, and ensuring that the administration of the Business Rate scheme continues in line with national policies

4 **Other Implications**

(a) **Financial**

There are no direct financial implications to the Council, the Council will award the relief as outlined and will then claim the costs of the relief back from central government via a grant claim later in the financial year

(b) **Risk Management**

<b>Risk</b>	<b>Mitigating action</b>	<b>Opportunities</b>
Legal	None	
Property	None	

Human Rights	None	
Health and Safety	None	
Employment Issues	None	
Equalities Issues	None	
Community Support	None	
Communications	None	
Community Safety	None	
Financial	None	
Timetable for delivery	None	
Project Capacity	None	
Other	None	

(c) Human Rights Act and Other Legal Implications

There are no human rights or other legal implications arising from this report.

(d) Equalities Impact Assessment

No EIA is required for this report

**5 Supporting Information**

- 5.1 Business properties are generally re-valued every five years and given a new rateable value in a new rating list. As this may lead to large increases or decreases for some businesses the Government introduces, at the start of a list, a transitional relief scheme that limits the amount by which a business' rates can be increased or decreased by.
- 5.2 The current Transitional Relief scheme was introduced in 2010, with the introduction of the 2010 rating list.
- 5.3 As the Government has decided not to revalue business rate properties from 01/04/15 (when it was originally due) the transitional scheme they put in place when rateable values were last generally amended (01/04/10) ends on 31/03/15 as it was legislated for a 5 year period.
- 5.4 This means some businesses who were receiving relief under the transitional scheme (because their rateable values increased by a large amount in 2010) are left facing large increases as their transitional relief is taken from them with effect from 1/04/15.
- 5.5 The Chancellor announced in the autumn statement on 3<sup>rd</sup> December 2014 that this was not the intention of the government and therefore that the government would extend Transitional Relief for small and medium size businesses for 2015-16 and 2016-17.
- 5.6 Small and medium size businesses are those with a rateable value of up to £50,000.

- 5.7 The government has announced that it is not able to extend the existing transitional relief scheme into 2015-16 and 2016-17 as was its intention but to ensure that business rate payers are not unfairly penalised, have announced a scheme for Council's to use their powers under section 47 of the Local Government Finance Act 1988 to award discretionary relief in these cases of an amount in line to that which would have been awarded if the scheme had been extended. The amount of relief awarded in this way would then be paid as a section 31 grant to councils.
- 5.8 As the legislation has been amended to introduce this change under the discretionary powers, this means that each Local Authority needs to develop a policy to deal with the operation and delivery of the relief up to State Aid De Minimis limits.
- 5.9 A copy of the draft policy is attached at Appendix A
- 5.10 The guidance issued by the Department of Communities and Local Government changes the way the calculation is carried out from the existing Transitional Relief scheme for 2015-16 and 2016-17, an explanation of the calculation is within the policy document.
- 5.11 It has been established that there are currently 6 accounts that would be affected by this change, though as Business Rate appeals are settled by the Valuation Office Agency (VOA) this figure may change throughout the year and a number of manual calculation will need to be carried out to establish if these accounts qualify for the amended transitional relief.

## **6 Comments of Other Committees**

This report and documents have not been considered by any other Committees.

## **7 Conclusion**

The Cabinet is requested to consider and agree the following policies

- (a) Business Rates Relief – Extension of Transitional Relief for 2015-16 and 2016-17

In order to comply with current Business Rates legislation and guidance issued by the Department for Communities and Local Government

## **8 Appendices Attached**

- 'A' Policy for Business Rates - Extension of Transitional Relief for 2015-16 and 2016-17

## **9 Background Papers**

- '1' Local Government Finance Act 1992 as amended
- '2' Local Government Finance Act 1988 as amended
- '3' Business Rates - Extension of Transitional Relief for small and medium properties - Guidance issued 15<sup>th</sup> January 2015.