

## **SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet **DATE:** 5<sup>th</sup> February 2018  
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**WARD(S):** All  
**PORTFOLIO:** Cllr Mohammed Nazir, Cabinet Member for Corporate Finance & Housing

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

#### **COUNCIL TAX AND BUSINESS RATES DISCRETIONARY POLICIES**

##### **1 Purpose of Report**

To provide updated Council Policies for Business Rates for 2018-19 onwards in respect of

- Discretionary Rate Relief for Charities and not for Profit Organisations
- Partially Occupied Relief (Section 44a)
- Hardship Relief
- General Rate Relief
- Revaluation Relief
- Inward Investment
- Public House Relief Scheme
- Council Tax Hardship Relief
- Amended policy for 2017-18 on Revaluation Relief

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

The Cabinet is requested to resolve:

- (a) That the policies for Business Rates for 2018-19 onwards as set out in Appendix A-H be approved
- (b) That the amended policy for Business Rates Revaluation Relief as set out in Appendix I be approved.

##### **3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan**

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

This report supports the 5 Year Plan through Outcome 5, Slough will attract, retain and grow businesses and investment to provide jobs and opportunities for our residents.

### 3a. **Slough Joint Wellbeing Strategy Priorities**

The awarding of Business Rate relief is in line with government legislation and government guidance and is a key priority of the Council in relation to income collection.

### 3b. **Five Year Plan Outcomes**

This report will primarily have implications for Outcome 5 as it will assist in retaining businesses in the borough as well as attracting businesses to the borough which will provide jobs and opportunities for our residents.

It will also provide overall support to the whole of the 5 year plan as it will help maintain income to the Council.

## 4 **Other Implications**

### (a) Financial

There are a number of different relief's that can be awarded under the Business Rates and Council Tax discretionary legislation and they attract different levels of financial support from Central government.

Slough Borough Council as part of the Berkshire consortium will be piloting Rates Retention from April 2018 onwards. Rates Retention is complex area that overall should see income to the Council increase, but there are risks also associated and one of these risks is the fact that certain relief's that were paid in part by Central Government prior to Rates Retention now has to be paid by the Local Authority.

The following relief's will now have to be fully funded by Slough Borough Council and were in the past funded 50% by Central Government

- Discretionary Rate Relief for Charities and not for Profit Organisations
- Partially Occupied Relief (Section 44a)
- Hardship Relief
- General Rate Relief

In 2017-18 it is estimated that relief of a total value of £225k will be awarded to charities and not for profit organisations.

In 2017-18 it is estimated that relief of a total value of £75k will be awarded for partially occupied premises

In 2017-18 there have been no awards for Business Rates Hardship Relief or General Rate Relief.

In relation to the following relief's Central Government has provided guidance on how the relief should be awarded and will reimburse Local Authorities for the full amount of the spend as long as the scheme is enacted within the guidelines.

- Revaluation Relief
- Public House Relief scheme
- Amended policy for 2017-18 on Revaluation Relief

The Council proposes to administer the scheme within the guidelines and therefore maintain spend within the payment methodology proposed by central government so as not to put any additional pressure on the Council's general fund budget.

The Council will receive £350,000 for Revaluation Relief for 2017-18 and £170,000 for 2018-19. The schemes are designed to maximise the budget provided but not to exceed the budget.

Public House relief the Council will receive up to £1,000 per Public House relief awarded for 2018-19 as long as the Rateable Value (RV) of the public House is below £100,000.

The Council will fully fund the following relief's, there has been no change to the funding regime

- Inward Investment
- Council Tax Hardship Relief

In 2017-18 to date there have been no awards of Inward Investment

In 2017-18 £6k has been awarded for Council Tax Hardship Relief.

(b) Risk Management

Recommendation from section 2 above	Risks/Threats / Opportunities	Current Controls	Using the Risk Management Matrix Score the risk	Future Controls
To approve the following policies  Discretionary Rate Relief for Charities and not for Profit Organisations  Partially Occupied Relief (Section 44a)  Hardship Relief  General Rate Relief  Revaluation Relief	The policies give additional opportunity to businesses to work and remain within the borough by assisting them when there are issues which affect the business such as a downturn sales which could lead to partially occupied premises, in	All policies state the period of relief and all awards are time limited and approved by the S 151 officer		Policies will be reviewed annually.

<p>Inward Investment</p> <p>Public House Relief Scheme</p> <p>Council Tax Hardship Relief</p> <p>Revaluation Relief 2017-18</p>	<p>providing relief it allow the business to remain at the premises, continue trading in Slough and have the opportunity to increase sales in the future</p> <p>Rates Retention is a risk in relation to a number of the policies as the Council has to fund 100% of the relief, however until further guidance is released and a year of Rates Retention is administered it is not known how great the risk is if any.</p>	<p>The income and expenditure will be monitored throughout the 2018-19 financial year.</p>	<p>6</p> <p>(Risk of overall increase in expenditure is low as Central Government has stated LA's should not lose income the severity should this happen will be marginal as the amount of loss in relation to the net collectable debit is low)</p>	
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(c) Human Rights Act and Other Legal Implications

There are no direct Human Rights implications as this relates to Businesses.

There are no direct Legal implications.

(d) Equalities Impact Assessment

There is no EIA as these policies refer to businesses in the borough only.

5 **Supporting Information**

5.1 The Council has a variety of policies in place in respect of Business Rates, some have not been updated for two years and have been refreshed to include current legislation and some need to be reviewed year on year.

- 5.2 The following policies have been reviewed and consideration given to changes such as Rates Retention and the impact on the cost of the policies, in these instances the policies have remained the same with regard to the criteria for the award, but it is good practice to review all policies on a regular basis.
- Discretionary Rate Relief for Charities and not for Profit Organisations
  - Partially Occupied Relief (Section 44a)
  - Hardship Relief
  - General Rate Relief
- 5.3 The Public House Relief policy was designed based on the announcement from the Chancellor to be for one year only, but this has now been extended and a further policy for 2018-19 is required.
- 5.4 The grant has been awarded under Section 31 of the Business Rates legislation, and due to time constraints the government has not passed any enabling legislation but stated that the award should be made under the Councils discretionary powers under section 47 of the Local Government Finance Act as amended.
- 5.5 The scheme has been developed in line with the government guidelines to maximise the use of the grant but not to spend more than the allocation.
- 5.6 The scheme has been developed to ensure that the recipients are considered firstly under the Supporting Small Business Relief (SSBR) scheme and that State Aid is taken into consideration in line with the government guidelines.
- 5.7 The Revaluation Relief Scheme 2017-18 was designed based on the announcement from the Chancellor of the budget provision, as it was not possible to fully model the scheme an estimate of spend was made, as this was underestimated for 2017-18 a review of the scheme has been completed and a revised policy developed in order to maximise the use of the budget awarded.
- 5.8 The Revaluation Relief Scheme 2018-19 needs a new scheme as the budget awarded by Central Government is 50% of the award for 2017-18.
- 5.9 The grant for the Revaluation Relief Schemes has been awarded under Section 31 of the Business Rates legislation, and due to time constraints the government has not passed any enabling legislation but stated that the award should be made under the Councils discretionary powers under section 47 of the Local Government Finance Act as amended.
- 5.10 The scheme for both financial years has been developed in line with the government guidelines to maximise the use of the grant but not to spend more than the allocation.
- 5.11 The scheme has been developed to ensure that the recipients are considered firstly under the Supporting Small Business Relief (SSBR) scheme and that State Aid is taken into consideration in line with the government guidelines.
- 5.12 The following policies have been reviewed there is no changes on the criteria and as the awards have been small the policies have been refreshed to take into consideration the changes in legislation and guidance.
- Inward Investment

- Council Tax Hardship Relief

## 6 **Comments of Other Committees**

This report has not been considered by any other committees.

## 7 **Conclusion**

That Members are requested to review and approve these policies.

## 8 **Appendices Attached**

- 'A' - Discretionary Rate relief for Charities and not for Profit Organisations
- 'B' - Partially occupied relief (Section 44a)
- 'C' - Hardship Relief
- 'D' - General Rate Relief
- 'E' - Revaluation relief
- 'F' - Inward Investment
- 'G' - Public House Relief scheme
- 'H' - Council Tax Hardship Relief
- 'I' - Amended policy for 2017-18 on Revaluation Relief

## 9 **Background Papers**

- "1" - Business Rates Information letter (2/2017) from DCLG
- "2" - Local Government Finance Act 1992 as amended
- "3" - Local Government Finance Act 1988 as amended