

Report to: Cabinet



Date of Meeting 10 October 2023

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Updates to Discretionary Rate Relief Policies

Report summary:

To seek Cabinet approval to update the following policies relating to technical and administrative changes:

- Local Discretionary Rate Relief and Hardship Policy
- Discretionary Rate Relief for Partly Occupied premises.

Is the proposed decision in accordance with:

Budget Yes ☒ No ☐

Policy Framework Yes ☒ No ☐

Recommendation:

1. Cabinet approves the updated Local Discretionary Rate Relief and Hardship policy and the Discretionary Rate Relief for Partly Occupied premises policy.
2. Cabinet approves delegated authority to be given to the Assistant Director responsible for Business Rates to update the policy to take account of technical or administrative changes.

Reason for recommendation:

Policy updates currently require Cabinet approval as we have not allowed for officers to make technical changes and moving forward the second recommendation will allow for this.

Officer: Libby Jarrett, Assistant Director – Revenues, Benefits, Corporate Customer Access, Fraud & Compliance ljarrett@eastdevon.gov.uk

Portfolio(s) (check which apply):

- ☐ Climate Action and Emergency Response
- ☐ Coast, Country and Environment
- ☐ Council and Corporate Co-ordination
- ☐ Communications and Democracy
- ☒ Economy
- ☒ Finance and Assets
- ☐ Strategic Planning
- ☐ Sustainable Homes and Communities
- ☐ Culture, Leisure, Sport and Tourism

Equalities impact Low Impact

The aims of the policies remain as previously approved by Council; the changes relate to new legislation on Subsidy Controls, delegated authority for making decisions and minor administrative updates.

Climate change Low Impact

Risk: Low Risk;

Links to background information

Link to [Council Plan](#)

Priorities (check which apply)

- ☐ Better homes and communities for all
 - ☐ A greener East Devon
 - ☒ A resilient economy
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1 Background

1.1 Non-Domestic Rates (hereafter Business Rates) is mainly determined by legislation but there are some areas where the local authority has discretion to provide rate relief under certain circumstances. It is important when using our discretion, we have up to date policies in place that sets out our approach for how we will determine applications.

1.2 The following two policies have been updated:

- The Local Discretionary Rate Relief and Hardship Policy (appendix 1).
- Discretionary Rate Relief for Partly Occupied Premises Policy (appendix 2).

1.3 The Local Discretionary Rate Relief and Hardship Policy

Legislation allows local authorities to award discretionary rate relief in any circumstances provided it is in the interests of the local council taxpayer to do so. Under the Hardship provision the applicant would sustain hardship if the Council did not do so and is, also in the interests of the local council taxpayer to grant relief.

1.4 Discretionary Rate Relief for Partly Occupied Premises policy

Legislation permits the billing authority to exercise its power if it chooses to do so to provide rate relief where a property is only partly occupied. This policy sets out our approach for determining requests for relief under this provision. This will often only apply in limited circumstances as it relates to a property that is partly unoccupied for a temporary period only and allows the Council to obtain a certificate from the Valuation Office Agency to apportion the rateable value between the unoccupied and occupied elements. This means that there has to be a clearly defined area between the unoccupied and occupied elements in order for the rateable value to be apportioned. The maximum period relief would apply is normally up to 3 months or 6 months for a qualifying industrial property (this mirrors the statutory exemption for empty property).

2 What are the main changes:

2.1 Technical changes – both policies have been updated to reflect Subsidy Control Act 2022 requirements which replaces EU State Aid rules. The Local Discretionary Rate Relief Policy also takes account of the Hardship provision.

2.2 Changes in the delegation for making decisions:

Local Discretionary Rate Relief Policy

Current policy:

Decision is made by the Director of Finance in consultation with the Finance and Economic Development Portfolio Holders. Reviews are carried out by the Chief Executive.

Proposed change:

Decision to be made by Assistant Director – Revenues, Benefits & Corporate Customer Access in consultation with the Assistant Director for Growth, Development and Prosperity, the Portfolio Holder for Finance and Portfolio Holder for Economic Development.

Reviews of decisions on Discretionary Rate Relief to be dealt with by the Director of Finance in consultation with the Leader or Deputy Leader of the Council.

This change will bring delegated authority more in line with existing delegated authority for considering applications for Rate Relief for Partly Occupied Premises.

- 2.3 Other changes are administrative such as updates to the Council template, reordering the criteria, etc.

3 What has not changed?

- 3.1 The qualifying criteria, factors taken into account, the conditions that need to be met and the type of information required from the ratepayer remain the same. The overarching aims of the policies remain the same.

4.0 Summary

- 4.1 In 2022/23 we provided £2,496 in rate relief to one business under our Local Discretionary Rate Relief policy.
- 4.2 Important to note that the government have over the past 4 to 5 years put in place a number of temporary government schemes to support businesses during Covid and with the current cost of living crisis. We are aware that with the current state of the economy this will be impacting our businesses and depending on future government support schemes (often announced as part of the Autumn Budget) we may start to see higher numbers of businesses applying for help under our discretionary schemes. It is therefore important that our policies are up to date.
- 4.2 The recommendation is to approve the updated policies and to allow in future technical and administrative changes to be made by the Assistant Director for Business Rates.

Financial implications:

These are in line with existing policies in terms of financial implications and therefore are not expected to have any additional implications.

Legal implications:

The legal issues are dealt with in the body of the report.