



Decision Maker:	Cabinet Member for Finance, Property and Regeneration
Date:	4 April 2019
Classification:	General Release
Title:	Revision of the Council's National Non-Domestic Rates Discretionary Relief Guidelines in respect of the Local Discretionary Business Rate Revaluation Relief scheme for 2019/20.
Wards Affected:	All
Financial Summary:	The Local Discretionary Business Rate Revaluation Relief scheme for 2019/20 will have no direct financial effect for the City Council, as spending will be met in full by central government up to the Year 3 funding allocation.
Report of:	City Treasurer

1 Summary

- 1.1 This report seeks approval of a revised version of the Council's guidelines for considering applications for the Local Discretionary Business Rate Revaluation Relief Scheme in Year 3 (2019/20). These guidelines are contained within the Council's overall guidelines for considering applications for National Non-Domestic Rates (NNDR) Discretionary Relief.
- 1.2 Minor changes have also been made to the guidelines shown at Appendix A to reflect administrative changes, including the government's requirement for local authorities to use Section 47 Local Government Finance Act 1988 for the administration of the new Retail Relief scheme.

2 Recommendation

- 2.1 That the revised NNDR Discretionary Relief guidelines as shown at Appendix A are approved.

3 Reason for decision

- 3.1 The proposed guidelines at Appendix A will, by providing criteria to be considered when making decisions, assist with robust and consistent decision-making.

4 Background

4.1 Year 1 (2017/18) scheme

- 4.1.1 In September 2017, the Cabinet Member for Finance, Property & Corporate Services approved the report shown at Appendix B. This included approval of a revised set of guidelines for NNDR Discretionary relief and in particular a set of guidelines for the administration of the then new Local Discretionary Business Rate Revaluation Relief Fund in 2017/18 (the scheme was implemented in 2017/18 following the government's announcement at the Spring Budget).
- 4.1.2 The Year 1 scheme as outlined in Section 6 of the previous report worked very well, with the Council awarding the full £11.6M of government funded relief to Westminster businesses before the 30 September 2018 deadline.
- 4.1.3 As part of the Westminster application process, an organisation must show how it brings tangible benefits to the residents and or businesses in the borough. After discussion with the Director of Economy, it was decided to include an optional section within the application form allowing the business to show commitment to supporting the Council's Employment programme.

4.2 Year 2 (2018/19) scheme

- 4.2.1 In June 2018, it was agreed by the Cabinet Member for Finance, Property & Regeneration that the Year 2 scheme would mirror that of Year 1, as the scheme had worked extremely well and there were 253 outstanding applications based on Year 1 criteria.
- 4.2.2 As with Year 1 the scheme has been a success and the Council awarded the full £5.6M government funding allocation within the 2018/19 financial year. During 2018/19 there were awards to 463 businesses.

5 Proposed Year 3 (2019/20) scheme

- 5.1 The government funding for year 3 of the government's 4^{-year} scheme reduces to £2,321,000 in 2019/20.
- 5.2 In view of the fact that the scheme has worked well in Year 1 and Year 2 with 12 claims outstanding from year 2 after funds ran out, it is proposed that the Council retains the same scheme criteria as outlined at section 6.5 of the previous September report, i.e. a scheme:
- calculated based on the 2017/18 liability year annual charge
 - based on an application process
 - allowing any business that is occupying i.e. (no relief for empty properties) a property with a rateable value above £100,000 and had an

increase in their NNDR net liability above 20% in 2017/18 due to the Revaluation, to apply for relief under the scheme.
The property must be currently occupied and occupied consistently since at least 31 March 2017.

- funding to be limited to the State Aid limit
- the applicants must show that:-
 - a) Their business has been adversely affected by the NNDR Revaluation
 - and
 - b) The organisation brings some tangible benefit to the residents and / or businesses within the borough
- relief to be granted based on the following table, although the Rating Advisory Panel will be able to consider relief above these levels in exceptional circumstances (subject to the State Aid limitations)

Increase in NNDR Charge in 2017/18 compared with 2016/17 (Note 1)	% Relief Granted (Note 2)
Increase 35.00% +	7.5%
Increase between 20.00% and 34.99%	5%

Note 1 – The increase in charge is calculated as (Gross charge 2017/18 – Transitional Relief (if any) + Small Business Uplift / Gross charge 2016/17 + Small Business Uplift (2016/17)).
The Business Rate Supplement collected by the Council on behalf of the GLA is excluded from the calculation.

Note 2 – The relief percentage will be calculated against net NNDR liabilities and will be pro-rated if needed by any future NNDR liability changes, e.g. occupation changes.

- 5.2 Applicants who have received relief in Year 1 or in Year 2 of the scheme (i.e. in 2017-18 or 2018-19) will not be eligible to apply for additional relief in Year 3 (i.e. in 2019-20).

- 5.3 The majority of new reliefs awarded in Year 3 will create a credit on the ratepayer's 2017-18 NNDR account. This credit will be subsequently offset against their 2019/20 liability.
- 5.4 The allocation of reliefs will be carefully monitored throughout the financial year to ensure that the level of awards does not exceed the government's Year 3 funding allocation. If it appears to officers during the year that the funding allocation is unlikely to be fully utilised, a further Cabinet Member report will be submitted seeking a revision to the scheme to ensure that the full government funding allocation is utilised for the benefit of Westminster's businesses.

6 Consultation

- 6.1 The Council undertook a consultation exercise in relation to the initial Year 1 (2017/18) scheme (See Section 8 of the September report shown at Appendix B).
- 6.2 The proposed Year 3 scheme is, in effect, an extension of the Year 1 and Year 2 scheme and as such it is not proposed to undertake a further consultation exercise.

7 Financial Implications

- 7.1 There are no direct financial implications arising from the report, as the government has committed to fully fund the Local Discretionary Business Rate Revaluation Relief scheme up to our Year 3 funding allocation of £2,321,000. Spending will be monitored to ensure that this figure is not exceeded.

8 Legal Implications

- 8.1 The liability for NNDR (Business Rates) is set out in the Local Government Finance Act 1988. Section 47 of the Local Government Finance Act 1988 allows a local authority to grant Discretionary Relief, this section was amended by the Localism Act 2011 to allow local authorities to grant Discretionary Relief to any ratepayer, subject to the European rules on State Aid.
- 8.2 The Local Discretionary Business Rate Revaluation Relief scheme is required to be administered under the same legislation.
- 8.3 Section 49 of the Local Government Finance Act 1998 enables a local authority to grant Hardship relief up to 100% of the NNDR liability.

9 Outstanding Issues

- 9.1 There are no outstanding issues.

10 Ward Member Consultation

- 10.1 There is no requirement for separate Ward Member consultation as the report relates to all wards.

For completion by the **Cabinet Member** for Finance, Property and Regeneration
Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: _____ Date: _____

NAME: **Councillor Rachael Robathan, Cabinet Member for Finance,
Property and Regeneration**

State nature of interest if any

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(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled

Revision of the Council’s National Non-Domestic Rates Discretionary Relief Guidelines in respect of the Local Discretionary Business Rate Revaluation Relief scheme for 2019/20.

Signed

Councillor Rachael Robathan, Cabinet Member for Finance, Property and Regeneration

Date

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:

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If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, the Executive Director of Financial Resources, and, if there are resources implications, the Director of People Services (or their representatives) so that (1) you can be made

aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.