

Rother District Council

Report to	-	Council
Date	-	16 September 2019
Report of the	-	Licensing and General Purposes Committee
Subject	-	Reference from the Licensing and General Purposes Committee

The Council is asked to consider the recommendation arising from the Licensing and General Purposes Committee meeting held on 15 July, as set out below.

LICENSING AND GENERAL PURPOSES COMMITTEE - 15 JULY 2019

LG19/06. DISCRETIONARY RELIEF FOR NON-DOMESTIC RATES POLICY

Members received the report of the Executive Director providing summary information of the awards of Discretionary Rate Relief (DRR) for 2018/19, together with an updated policy that reflected changes introduced by the Government.

National Non-Domestic Rates were payable on all non-domestic properties. The amount payable was calculated by multiplying the rateable value (set by the Valuation Office Agency) with a national multiplier (which was increased each year by the retail price index).

The Local Government Finance Act 1988 and subsequent legislation required councils to grant mandatory relief for premises occupied by charities and similar organisations. Likewise, certain premises situated within a rural settlement area were also eligible for mandatory relief. The Council also had powers to grant discretionary relief and reductions to ratepayers, subject to certain criteria being met. In the case of new reliefs introduced, some guidance had been issued by the Government outlining actions expected to be taken by local authorities.

During the financial year 2018/19, 285 accounts were awarded Mandatory Rate Relief with a total value of £2,588,514.30. In addition, 44 accounts were awarded DRR with a total financial value of £41,332.92. Rother had met 40% of this cost; Members noted that under the new 2019/20 East Sussex Business Rate Retention 75% pilot, the Council would meet 44% of the cost of DRR. This increase was reflected in the Revenue Budget for 2019/20.

The Council's DRR Policy had last been reviewed in 2014. Since then a number of schemes had been introduced by the Government without specific legislation changes, administered under S47 of the Local Government Finance Act 1988 (Discretionary Provision) and fully funded by Central Government. The proposed policy document considered by Members detailed the schemes, along with the traditional Discretionary Provision in one document.

The most significant new relief detailed in the policy was the Retail Discount, whereby retail properties with a rateable value of less than £51,000 received a discount of one third of the rates bill for 2019/20 and 2020/21. Recipients of DRR at the time would not be adversely affected by the proposed updated policy, which would be applied retrospectively to take effect from 1 April 2019.

Members had the opportunity to raise questions and the following points were noted:

- the liability for payment of non-domestic rates applied to the occupier and followed them if moving to a new premises;
- the Localism Act 2011 allowed for DRR to be awarded on any property;
- Hardship Relief took into account profitability and the previous two year's accounts had to be submitted with an application; and
- external ATMs, where the machine was the only one in the High Street, were subject to Business Rates. The Council would give serious consideration to granting Business Rate relief subject to the outcome of the Valuation Office Agency's current appeal to the Supreme Court (Council Minute C18/58 refers).

RECOMMENDED: That the new Discretionary Rate Relief Policy as set out at Appendix A be approved and adopted.

(Licensing and General Purposes Agenda Item 7).

Councillor A.K. Jeeawon
Chairman of the Audit and Standards Committee