

Finance Sub-Committee

2 November 2023

Business Rates Discretionary Relief Review - Recommendations

Report of: Director of Finance and Customer Services (s151 Officer)

Report Reference No: FSC/20/23-24

Ward(s) Affected: All

Purpose of Report

- 1 To provide feedback from the Business Rates Working Group and seek a decision in relation to the Discretionary Relief Policy.

Executive Summary

- 2 Following a report to the Sub-Committee on 9 November 2022 relating to Business Rates Discretionary Relief, the Sub-Committee established a working group at its first post-election meeting on 7th June 2023. The working group met on 29th September to receive an overview of business rates and to review the Business Rates Discretionary Relief Policy. Its recommendations are set out in this report.

RECOMMENDATIONS

The Finance Sub-Committee is recommended to:

1. Amend the Business Rates Discretionary Relief Policy to include leisure centres at page 17 where sports and social clubs are referenced.
2. Delegate authority to the Head of Revenues and Benefits, to amend page 11 section 5.9, to allow backdating of relief in certain circumstances, once the Non-Domestic Rating Bill receives Royal Assent.

Background

- 3 The Finance Sub-Committee received the Business Rates Discretionary Relief report on 9 November 2022. The report provided an overview of the business rates system. It also confirmed the current position in relation to discretionary rate reliefs awarded to local businesses and organisations by Cheshire East Council.
- 4 At its meeting of 7th June, the Sub-Committee agreed to set up the Business Rates Working Group. The Group met on 29th September 2023 to further understand the business rates system and review the extent of Discretionary Relief available to local businesses. The group considered how those reliefs impact both business and the council and agreed to make recommendations for change where appropriate.

Consultation and Engagement

- 5 The impact on local businesses is low. Member involvement and decision making is sufficient.

Reasons for Recommendations

- 6 The Member Working Group reviewed the current policy and considered reasons for change. Policy relating to village halls and charity shops had been raised at the original meeting and these areas were specifically reviewed. The recommendation is for these areas to remain unchanged for the following reasons:
 - Relatively low value awards.
 - The scheme is currently considered to be equitable with no noticeable inconsistencies.
 - Little/no feedback from impacted businesses
 - Benchmarking shows very similar schemes at other authorities.
 - A qualification process through a 'means tested' type application would be administratively expensive in the context of the overall awards value.

Policy around other areas was confirmed, particularly in relation to charitable organisations that exist to benefit the local community.

Two amendments were recommended:

A change to the wording of the policy to improve description and explicitly include leisure centres.

The Business Rate bill currently proceeding through Parliament will allow discretion over the backdating of discretionary relief. The current position is that relief may only be backdated up to 18 months. The Bill will allow Authorities to implement their own backdating policy. There has been little feedback from businesses in relation to the current arrangements other than where properties have been entered into the Valuation List late by the Valuation Office Agency and have caused the application period to 'time out'. The recommendation therefore is to keep the current arrangements in place and to add an additional line to allow backdating where the Valuation Office Agency has entered a new property or made an alteration to the Local Rating List and the Ratepayer could not reasonably have been expected to have made an application within the relevant time period. This amendment should be delegated to officers, for implementation once the Bill is passed.

Other Options Considered

- 7 The Working Group has made no material changes to the policy.

Implications and Comments

Monitoring Officer/Legal

- 8 There are no obvious legal implications outside the current policy.

Section 151 Officer/Finance

- 9 There are no financial implications.

Policy

- 10 The recommendations make changes to the Council's Policy for the Granting of Discretionary Non-Domestic Rate Relief.

An open and enabling organisation <ul style="list-style-type: none">• Ensure that there is transparency in all aspects of council decision making		
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Equality, Diversity and Inclusion

11 There are no direct implications for Equality.

Human Resources

There are no direct implications for Human Resources.

Risk Management

There are no direct implications for Risk Management.

Rural Communities

12 The implications for Rural Communities remain unchanged.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

13 There are no direct implications for Children & Young People

Public Health

14 There are no direct implications for Public Health

15 *Climate Change*

There are no direct implications for Climate Change.

Access to Information	
Contact Officer:	Paul Manning, Head of Revenues and Benefits
Appendices:	Amended Policy
Background Papers:	N/A