

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards	Discretionary	Be entirely within Cabinet's powers to decide	NO	
		Need to be recommendations to Council	YES	
		Is it a Key Decision	NO	
Lead Member: Cllr B Long E-mail: Cllr Brian Long Cllr.brian.long@west-norfolk.gov.uk		Other Cabinet Members consulted:		
Lead Officer: Jo Stanton E-mail: joanne.stanton@west-norfolk.gov.uk Direct Dial: 01553 616349		Other Members consulted:		
		Other Officers consulted: Lorraine Gore		
Financial Implications NO	Policy/Personnel Implications NO	Statutory Implications NO	Equal Impact Assessment NO If YES: Pre-screening/ Full Assessment	Risk Management Implications NO

Date of meeting: 9 January 2018

NON DOMESTIC RATES: DISCRETIONARY REVALUATION RELIEF SCHEME 2017/2018

Summary

At the Budget on 8 March 2017 the Chancellor announced the Government would make available a discretionary fund of £300m over four years from 2017/2018 to support those businesses facing the steepest increases in their business rates bills as a result of the 2017 business rates revaluation.

Every Billing Authority has been awarded a share of the £300m based on the increases in their rates bills, and Billing Authorities are free to decide on a scheme to allocate this to their ratepayers.

The Council agreed its Discretionary Revaluation Relief Scheme for 2017/2018 on 21 September 2017. Take up of the scheme has been monitored closely and it appears that, now the majority of eligible businesses have claimed their relief, there is surplus funding available for 2017/2018. Any unspent funding at the end of the year has to be returned to Central Government and cannot be transferred to another year. Therefore this report details the options for distributing the surplus.

Recommendation

Cabinet recommends to Council that the Discretionary Revaluation Relief Scheme is amended as detailed in Section 3.

Reason for Decision

To ensure the Council's Discretionary Revaluation Relief Scheme distributes the maximum amount of help available to local businesses whose business rates bills have increased as a result of the 2017 revaluation.

1. Background

- 1.1. At the Budget on 8 March 2017 the Chancellor announced the Government would make available a discretionary fund of £300m over four years from 2017/2018 to support those businesses facing the steepest increases in their business rates bills as a result of the 2017 Revaluation. Every Billing Authority has been awarded a share of the £300m based on the total increase in their ratepayers' bills, and Billing Authorities are free to decide on their own schemes to allocate this to their ratepayers.
- 1.2. Government will fully fund the cost of the relief providing it is below the amount allocated for each year and awarded during that year. We have been awarded the following amounts for our Discretionary Revaluation Relief scheme:

Year	Amount
1 - 2017/2018	£413,000
2 - 2018/2019	£201,000
3 - 2019/2020	£83,000
4 - 2020/2021	£12,000
Total	£709,000

- 1.3. The funding reduces year on year as the expectation is for Billing Authorities' schemes to phase in the increases in rates bills due over the four years so ratepayers eventually reach the point where they are paying their full bill. Therefore the amount of relief needed each year will decrease over the life of the scheme. Central Government will not allow these amounts to be flexed between years so the funding must be spent in the year it is allocated for.
- 1.4. The original Discretionary Revaluation Relief Scheme was based on an estimate of the take up across businesses in the Borough. Certain assumptions were made about the number of businesses who would qualify and receive a reduction. It was estimated that £410,350 of the £413,000 funding would be spent on relief for approximately 800 businesses, allowing a small contingency for a higher take up.
- 1.5. The actual take up of the Discretionary Revaluation Relief Scheme has been closely monitored. As at December 2017 the relief has been awarded to 385 ratepayers at a cost of £229,000. This leaves £184,000 of surplus funds still available to be distributed amongst ratepayers.
- 1.6. Take up has not been as high as predicted for a number of reasons, including:
- A more generous small business rate relief scheme being introduced from April 2017, substantially reducing ratepayer bills and completely removing liability from a number of ratepayers,
 - The doubling of the rural rate relief scheme, removing many rural businesses from having to pay any business rates,
 - Not all ratepayers qualify for the full amount of relief, for example if their bill is less than the amount of relief awarded,
 - Ratepayers moving out and ending their business rates liability, and
 - State Aid rules preventing businesses claiming the relief as they would be in breach of the regulations
- 1.7. Where we are comfortable that the ratepayer qualifies for relief it is awarded automatically. 349 awards have been made this way. Application forms have been sent to those ratepayers where further information is needed and 33 forms have so far been returned and the relief awarded. Even after this there remains a balance of funding available for further distribution.

2. The Current Scheme

2.1. The Cabinet Report of 1 August 2017 contains the full details of the Discretionary Revaluation Relief Scheme and the reasons it was selected. The principle of the scheme is to compare a ratepayer's charge before the revaluation (i.e. on 31 March 2017) to their charge after the revaluation (i.e. 1 April 2017) and award relief based on the size of the increase. This principle is common across the schemes for the majority of Norfolk authorities, and has been agreed with Norfolk County Council.

2.2. The current Discretionary Revaluation Relief Scheme, and the estimates from the original Cabinet Report, are shown below in Table A. The amount of relief awarded for each band is equivalent to half of the lower amount of increase for that band, for example ratepayers in band B, where the lower amount of the increase is £500, receive relief of £250.

Table A: Original Scheme from 1 August 2017 Cabinet Report:

Band	Increase From:	Increase To:	Amount of Relief	Number of Ratepayers	Cost
A	£250	£499	£125	396	£49,500
B	£500	£999	£250	106	£26,350
C	£1,000	£1,999	£500	151	£75,500
D	£2,000	£2,999	£1,000	55	£55,000
E	£3,000	£3,999	£1,500	28	£42,000
F	£4,000	£4,999	£2,000	26	£52,000
G	£5,000	No Max	£2,500	44	£110,000
	Total			806	£410,350

2.3. The actual position for the take up and spend on the scheme as at December 2017 are shown below in Table B:

Table B: Current Position:

Band	Increase From:	Increase To:	Amount of Relief	Number of Ratepayers	Cost
A	£250	£499	£125	102	£12,550
B	£500	£999	£250	103	£24,571
C	£1,000	£1,999	£500	92	£44,210
D	£2,000	£2,999	£1,000	21	£19,000
E	£3,000	£3,999	£1,500	16	£22,537
F	£4,000	£4,999	£2,000	20	£38,000
G	£5,000	No Max	£2,500	31	£68,116
	Total			385	£228,984

2.4. Far fewer ratepayers have taken up the relief and the amount spent is below the estimates for 2017/2018.

3. The Revised Scheme

3.1. The current scheme can be amended fairly simply whilst retaining its original principles. The amount of relief awarded for each band can be increased to three quarters of the lower amount of the band, so a ratepayer in band B receives £375 relief instead of £250. Adding a lower band for smaller increases means a further 283 ratepayers may also now qualify to receive the relief. These amendments distribute the funding to more of those ratepayers affected by the revaluation.

3.2. The details of the proposed revised scheme are shown below in Table :

Table C: Proposed revised Discretionary Revaluation Relief Scheme, based on actual take up in Table B

Band	Increase From:	Increase To:	Amount of Relief	Number of Ratepayers	Cost
New	£125	£249	£95	283	£26,885
A	£250	£499	£200	102	£20,400
B	£500	£999	£375	103	£38,625
C	£1,000	£1,999	£750	92	£69,000
D	£2,000	£2,999	£1,500	21	£31,500
E	£3,000	£3,999	£2,250	16	£36,000
F	£4,000	£4,999	£3,000	20	£60,000
G	£5,000	No Max	£3,750	31	£116,250
	Total			668	£398,660
	Contingency				£14,340

3.3. An analysis of the ratepayers already receiving the relief shows 11% have already paid their bill in full so would be due a refund under the new scheme. 89% have a balance left to pay which would be reduced by the revised scheme. Of these 6% are in arrears.

3.4. The team will review the list of ratepayers from the original estimates and proactively contact any businesses who appear to qualify but who have not claimed the relief. Figures in Table C are based on the actual take up as shown in Table B, and the contingency allows for an increase following this exercise.

3.5. There are no changes to the Technical and Administrative rules in the Cabinet Report of 1 August 2017.

Cabinet is asked to recommend to Council to approve the revised Discretionary Revaluation Relief Scheme as shown in Table 3

4. Corporate Priorities

4.1. The new Discretionary Relief scheme fits with Corporate Priority 1: Provide important local services within our available resources and Corporate Priority 2: Drive local economic and housing growth.

5. Financial Implications

5.1. Central Government has allocated a fixed amount of funding for each of the next four financial years. Providing the cost of the relief remains within this funding limit, there is no cost to the Council. However any unspent funding cannot be flexed between years and must be returned to Central Government. The revised scheme helps the Council spend as much of its allocation as possible to support local businesses.

6. Policy Implications

6.1. The revised Discretionary Revaluation Relief Scheme will be an updated Council Policy and requires approval by full Council.

7. Any other Implications/Risks

7.1. Low take up means that the full funding allocation for 2017/2018 may not be spent, and cannot be transferred to future years. Basing the revised scheme on actual take up removes some of this risk, whilst still allowing a contingency for any new applications before the end of the financial year.

8. Equal Opportunity Considerations

8.1. A Pre-Screening Equality Impact Assessment is included at Appendix A. No impacts are identified.

9. Consultation

9.1. None required

10. Conclusion

10.1. The revised Discretionary Revaluation Relief Scheme allows the Council to help the most ratepayers and make the best use of its available funding, targeting assistance at occupied properties and directly linking the amount of relief with the size of the increase in the rates bill.

11. Background Papers

11.1. DCLG - Business Rates: Consultation on the proposals on the design and implementation of the locally administered Business Rates Relief Scheme (March 2017)

11.2. Cabinet Report 1 August 2017: Non Domestic Rates: Discretionary Reliefs

**Appendix A
Pre-Screening Equality Impact
Assessment**

Borough Council of
**King's Lynn &
West Norfolk**



Name of policy/service/function	Non Domestic Rates Discretionary Reliefs				
Is this a new or existing policy/ service/function?	New				
Brief summary/description of the main aims of the policy/service/function being screened. Please state if this policy/service rigidly constrained by statutory obligations	The Council has been awarded funding to provide additional help to ratepayers whose bills have increased following the revaluation. The recommended option describes the circumstances in which this relief will be given				
Question	Answer				
<p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups according to their different protected characteristic, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p>		Positive	Negative	Neutral	Unsure
	Age			√	
	Disability			√	
	Gender			√	
	Gender Re-assignment			√	
	Marriage/civil partnership			√	
	Pregnancy & maternity			√	
	Race			√	
	Religion or belief			√	
	Sexual orientation			√	
	Other (eg low income)			√	
Question	Answer	Comments			
2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?	No				
3. Could this policy/service be perceived as impacting on communities differently?	No				
4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?	No				
<p>5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions? If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section</p>	No	Actions:			
		Actions agreed by EWG member:			
Assessment completed by: Name Jo Stanton					
Job title Revenues and Benefits Manager	Date 14 July 2017				

Please Note: If there are any positive or negative impacts identified in question 1, or there any 'yes' responses to questions 2 – 4 a full impact assessment will be required.