

Cheltenham Borough Council
Cabinet – 15 July 2014
Business Rates Retail Relief Schemes

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| Accountable member | Councillor John Rawson, Cabinet Member Finance |
| Accountable officer | Mark Sheldon, Director of Resources |
| Ward(s) affected | All |
| Key Decision | Yes |
| Executive summary | The Government announced in the Autumn statement on 5 December 2013 that it would provide two types of business rates relief to certain occupied retail properties for the financial years 2014-2015 and 2015-2016. These reliefs are awarded using discretionary powers introduced by the Localism Act and approval is being sought to award relief in accordance with guidance provided by the Government. |
| Recommendations | <p>a) To approve a business rates retail relief scheme and business rates reoccupation relief scheme in line with the detailed guidance in appendix 2 to remain in place whilst 100% reimbursement is available from the Government</p> <p>b) Due to the high volume of cases to delegate decisions relating to the application of the reliefs to Revenues Service officers, with the final decision in the event of dispute being taken by the Director of Resources</p> |

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| Financial implications | As outlined in the report. There are no financial implications for the council. The cost of the NNDR relief scheme is funded by the government. Contact officer: Paul Jones, paul.jones @cheltenham.gov.uk, 01242 |
| Legal implications | The statutory context for this discretionary scheme is as set out in the report, as is the legal context of state aid. Whilst there is no statutory right of appeal against refusal of relief, it is proposed that the decisions of Revenues Services Officers are reviewable by the Director of Resources. Contact officer: peter.lewis@tewkesbury.gov.uk, 01684 272012 |
| HR implications (including learning and organisational development) | None Contact officer: , @cheltenham.gov.uk, 01242 |
| Key risks | As relief awarded will be fully reimbursed by Central Government there is limited financial risk. The major risk would be around reputation if the Council decided not to adopt the scheme |

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| Corporate and community plan Implications | None |
| Environmental and climate change implications | None |
| Property/Asset Implications | None Contact officer: David Roberts@cheltenham.gov.uk |

Background

- 1.1 The Government announced in the Autumn statement on 5 December 2013 that it would provide two types of relief for retail properties in the financial years 2014/2015 and 2015/2016.
- 1.2 The first, Retail Relief, provides up to £1,000 in each of the financial years for qualifying retail properties which are occupied and have a rateable value of £50,000 or less.
- 1.3 The second, Reoccupation Relief, provides a 50% relief for up to 18 months when a property which has previously been occupied for retail use is reoccupied between 01 April 2014 and 31 March 2016.
- 1.4 The Business Rates Retail Relief and Business Rates Reoccupation Relief Policy in Appendix 2 is based on the guidance provided by the Government detailing the circumstances in which these reliefs should be awarded.
- 1.5 The reliefs are to be applied to business rate bills to reduce the amount payable. Due to the timing of information about these reliefs and the issue of annual business rate bills in March, retail relief has already been awarded in respect of 420 properties in line with the conditions detailed in Appendix 2.
- 1.6 Due to the volume of cases, delegation is being sought for Revenues Service Officers to make decisions on the award of reliefs based on the detailed guidance in Appendix 2. Although there is no statutory right of appeal, where a decision is disputed it will be considered by the Director of Resources.
- 1.7 Both types of relief are subject to state aid rules and businesses will be asked to verify that that are not in receipt of any other state aid that would mean they exceed the current limits.
- 1.8 The Government intends to fully reimburse billing authorities for the cost of the local share of this relief.

2. Reasons for recommendations

- 2.1 As these measures are available for a limited period only the Government has not amended legislation relating to business rate reliefs. It expects billing authorities to use their discretionary powers introduced by the Localism Act, amending section 47 of the Local Government Finance Act 1988.

3. Alternative options considered

- 3.1 The Government expects billing authorities to grant these reliefs to qualifying ratepayers and will

fully reimburse them for the local share of the cost.

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| Report author | Contact officer: Jayne Gilpin, Jayne.gilpin@cheltenham.gov.uk, 01242 264323 |
| Appendices | <ol style="list-style-type: none">1. Risk Assessment2. Business Rates Retail Relief and Business Rates Reoccupation Relief Policy |
| Background information | <ol style="list-style-type: none">1. Section 47 Local Government Finance Act 1988, as amended by clause 69 of The Localism Act 20112. Business Rates Retail Relief Guidance https://www.gov.uk/government/publications/business-rates-retail-relief3. Business Rates Reoccupation Relief Guidance https://www.gov.uk/government/publications/business-rates-reoccupation-relief |

| The risk | | | | Original risk score (impact x likelihood) | | | Managing risk | | | | |
|-----------|---|--------------|-------------|---|----------------|-------|---------------|---|----------|---------------------|------------------------------|
| Risk ref. | Risk description | Risk Owner | Date raised | Impact 1-5 | Likelihood 1-6 | Score | Control | Action | Deadline | Responsible officer | Transferred to risk register |
| | Bad publicity and impact on the retail sector in Cheltenham if the policy is not approved | Mark Sheldon | 16/06/2014 | 4 | 1 | 4 | Accept | Cabinet Approves the policy in appendix 2 | | Jayne Gilpin | |
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Explanatory notes

Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)

Likelihood – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)

Control - Either: Reduce / Accept / Transfer to 3rd party / Close

Guidance

Types of risks could include the following:

- Potential reputation risks from the decision in terms of bad publicity, impact on the community or on partners;
- Financial risks associated with the decision;
- Political risks that the decision might not have cross-party support;
- Environmental risks associated with the decision;
- Potential adverse equality impacts from the decision;
- Capacity risks in terms of the ability of the organisation to ensure the effective delivery of the decision
- Legal risks arising from the decision

Remember to highlight risks which may impact on the strategy and actions which are being followed to deliver the objectives, so that members can identify the need to review objectives, options and decisions on a timely basis should these risks arise.

Risk ref

If the risk is already recorded, note either the corporate risk register or TEN reference

Risk Description

Please use “If xx happens then xx will be the consequence” (cause and effect). For example “If the council’s business continuity planning does not deliver effective responses to the predicted flu pandemic then council services will be significantly impacted.”

Risk owner

Please identify the lead officer who has identified the risk and will be responsible for it.

Risk score

Impact on a scale from 1 to 5 multiplied by likelihood on a scale from 1 to 6. Please see risk [scorecard](#) for more information on how to score a risk

Control

Either: Reduce / Accept / Transfer to 3rd party / Close

Action

There are usually things the council can do to reduce either the likelihood or impact of the risk. Controls may already be in place, such as budget monitoring or new controls or actions may also be needed.

Responsible officer

Please identify the lead officer who will be responsible for the action to control the risk.

For further guidance, please refer to the [risk management policy](#)

Transferred to risk register

Please ensure that the risk is transferred to a live risk register. This could be a team, divisional or corporate risk register depending on the nature of the risk and what level of objective it is impacting on