



## FINANCE, ASSETS, INVESTMENT & RECOVERY COMMITTEE

6 MARCH 2024

<b>REPORT TITLE:</b>	Amendment to the existing Policy for the granting of Discretionary Non-Domestic Rate Relief
<b>REPORT OF:</b>	Tim Willis, Interim Director of Resources
<b>WARDS:</b>	ALL

### REPORT SUMMARY

To approve the amendment to the existing policy for the granting of Discretionary Non-Domestic Rate Relief required as a result of a change in legislation effective from 1 April 2023. The change is in relation to backdating of discretionary rate reliefs.

### RECOMMENDATION

**Members are asked to:**

**To approve the amendment to the existing policy for the granting of Discretionary Non-Domestic Rate Relief.**

### SUPPORT ING INFORMATION

#### 1.0 REASON FOR RECOMMENDATION

The policy is required to comply with Section 47 of the Local Government Finance Act 1998, Localism Act 2011 and the Non-Domestic Rating Act Regulations 2023.

#### 2.0 BACKGROUND INFORMATION

- 1) The Council has an existing policy which sets out the criteria for granting of discretionary Non-Domestic Rate Relief. Non-Domestic Rate Relief provides support to defined ratepayers within the borough by reducing their Non-Domestic Rates charge. These reliefs are funded either wholly or in part by Central Government.

- 2) Under Section 47 of the Local Government Finance Act 1998 rating authorities are given the discretion to award relief to businesses in the following circumstances:
  - Registered charities and community and amateur sports clubs (CASCs) are entitled to mandatory relief of 80%, the Council has the discretion to award a further discretionary relief of up to 20%.
  - The Council has the discretion to award discretionary relief to rural properties who are not entitled to mandatory rural rate relief, providing the relevant criteria are met.
  - The Council has the discretion to award relief of up to 100% to organisations which are established as not for profit and meet the relevant criteria. The amount of discretionary relief awarded is entirely at the discretion of the Council.
- 3) The Localism Act 2011 gave rating authorities the power to decide locally to award relief in any circumstances, if it would be reasonable to do so having regard to the interest of Council Tax payers in its area. Guidance issued by the Secretary of State must be followed when granting this relief. In 2017 as a result of the business rates revaluation exercise, more reliefs were introduced by the government. This has included the Supporting Small Businesses Scheme, Local Newspaper Relief, and Retail, Hospitality and Leisure Relief which are awarded following government guidance.
- 4) In November 2023 the Non-Domestic Rating Act (Consequential and Other Amendments) Regulations 2023 were passed. These regulations revoked the previous rules concerning the application of discretionary relief by local authorities.
- 5) Currently discretionary relief should be backdated (if the business is entitled) to the April of the previous financial year, if the claim is made by the September of the current financial year. Claims made after September are backdated to the beginning of the current financial year.
- 6) From April 2024 local authorities are able to decide whether to award backdating of discretionary relief locally. This then becomes part of the Discretionary Non-Domestic Rate Relief policy.
- 7) The Discretionary Non-Domestic Rate Relief policy sets out the backdating award criteria for each relief. For any discretionary rate relief schemes fully funded by the Government the council will consider backdating up to six years from the date of application, but not before 1 April 2023 when the legislation came into force. For all other discretionary rate relief schemes the council will backdate from the beginning of the financial year in which the application is made or when liability begins, whichever is later.
- 8) We will carry out a review of all of our discretionary rate relief awards within 2024/25.

### 3.0 OTHER OPTIONS CONSIDERED

N/A

### 4.0 RELEVANT RISKS

The relevant risks are contained in the report.

### 5.0 ENGAGEMENT/CONSULTATION

N/A

### 6.0 FINANCIAL IMPLICATIONS

**Name & Title: Tim Willis, Director – Resources & Section 151 Officer**

**Tel & Email: 01277 312500 / tim.willis@brentwood.rochford.gov.uk**

The Discretionary Non-Domestic Rate Relief policy sets out the backdating award criteria for each relief. For any discretionary rate relief schemes fully funded by the Government the council will consider backdating up to six years from the date of application, but not before 1 April 2023 when the legislation came into force. For all other discretionary rate relief schemes the council will backdate from the beginning of the financial year in which the application is made or when liability begins, whichever is later.

2023/24 expenditure

Relief Type	Amount of cases	Expenditure Government Funded (Section 31)	Expenditure Funded by Brentwood (at 40%)	Total Expenditure
Charity relief at 20%	3	£1,835	£1,222	£3,057
Rural rate relief	0	0	0	0
Localism	0	0	0	0
Local newspaper relief	0	0	N/A	0
Supporting small business relief	114	£271,490	N/A	£271,490
Retail, hospitality and leisure relief	449	£3,824,386	N/A	£3,824,386
Hardship relief	0	0	0	0

The reliefs where this revised policy could impact Council expenditure are charity relief, localism and hardship relief. The discretionary element of the charity relief is 20% of the liability, 40% of which is funded by the Council. The number of applications and costs for localism and hardship relief are unknown at present as we do not have any current cases. The new policy is robust and for any awards of relief to be made in these situations businesses must complete an application process and meet stringent criteria, and be an exception rather than the rule.

## **7.0 LEGAL/GOVERNANCE IMPLICATIONS**

**Name & Title: Claire Mayhew, Acting Joint Director – People & Governance & Monitoring Officer**

**Tel & Email 01277 312500 / Claire.mayhew@brentwood.rochford.gov.uk**

The legislation that covers this report and the recommendations made is as follows:

- Section 69 of the Localism Act 2011 amended Section 47 of the Local Government Act 1988. These provisions allow all Councils to grant discretionary relief in any circumstances where it feels fit having regards to the effect on the Council Tax payers of its area.
- Section 47 of the Local Government Finance Act 1988 (as amended) defines discretionary relief within Non-Domestic rating.
- Non-Domestic Rating Act (Consequential and Other Amendments) Regulations 2023

## **8.0 ECONOMIC IMPLICATIONS**

**Name & Title: Laurie Edmonds, Corporate Manager – Economic Development**

**Tel & Email 01277 312500 / laurie.edmonds@brentwood.rochford.gov.uk**

Delivering a fair and transparent Discretionary Rate Relief policy supports businesses within the borough by defining which reliefs are available and ensures the right reliefs have been awarded. This policy will deliver consistent, fit for purpose, services for the borough.

## **9.0 EQUALITY & HEALTH IMPLICATIONS**

**Name & Title: Kim Anderson, Corporate Manager - Communities, Leisure and Health**

**Tel & Email 01277 312500 kim.anderson@brentwood.gov.uk**

The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
- b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- c) Foster good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.

The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

The proposals in this report will not have a disproportionate adverse impact on anybody with a protected characteristic.

## **10.0 ENVIRONMENTAL IMPACT**

**Name & Title: Henry Muss, Sustainability & Climate Officer**  
**Tel & Email 01277 312500 henry.muss@brentwood.gov.uk**

N/A

**REPORT AUTHOR: Name: Rob Manser**  
**Title: Shared Services Revenues & Benefits Manager**  
**Phone:01268 208039**  
**Email: Robert.manser@basildon.gov.uk**

## **APPENDICES**

Appendix 1 - Brentwood Borough Council Policy for the granting of Discretionary Non-Domestic Rate Relief

## **BACKGROUND PAPERS**

None