

Report to Portfolio Holder for Resources and Reputation

Subject: National Non-Domestic Rates Pubs Relief

Date: 5th December 2017

Author: Revenues Manager

Wards Affected

All

Purpose

The purpose of this report is:

- 1) To seek approval for the Council's guidance for determining an application for discretionary pubs relief.
- 2) To delegate to the Director responsible for Revenues Services the authority to determine applications for discretionary relief under section 47 of the Local Government Finance Act 1988 in relation to pubs relief in the Borough of Gedling.

Key Decision

This is not a key decision.

Background

- 1.1 The Chancellor of the Exchequer announced in his spring budget on 8th March 2017 that the Government will provide a one off relief payment of up to £1,000 from business rates to pubs with a rateable value of less than £100,000 in 2017/18. This relief is to be known as "pubs relief".
- 1.2 Further, the Chancellor of the Exchequer announced in his autumn budget on 22nd November 2017 that the Government will provide a further relief payment of up to £1,000 from business rates to pubs with a rateable value of less than £100,000 in 2018/19.

- 1.3 On 20th June 2017, the Department for Communities and Local Government (DCLG) issued guidance to all Councils to assist in the administration and application of this relief in the form of a Business Rates Information Letter. A copy of this letter is attached as a background document to this report.
- 1.4 In recent years, the Government has chosen not to make amendments to legislation in the administration of business rates reliefs, rather it coerces Councils to use their existing powers of discretion to grant reliefs in line with its guidance.
- 1.5 Section 47 of the Local Government Finance Act 1988 (as amended by s69 Localism Act 2011) gives local authorities the power to grant discretionary relief of any amount to non-domestic rate payers for any reason.
- 1.6 The Government intends that Gedling Borough Council should grant pubs relief to businesses under its existing powers to grant discretionary relief after taking account of its guidance.
- 1.7 Gedling Borough Council's Constitution currently provides for initial applications for discretionary relief to be submitted to the Portfolio Holder for determination. This requirement can be found under the heading Specific Delegations at paragraph 9 on pages 255-256 of the Constitution (updated 3rd July 2017). This paragraph is set out in paragraph 1.8 of this report below.
- 1.8 *Power to grant applications for other discretionary rate relief to be submitted to the Portfolio Holder for determination in the first instance and thereafter renewals to be delegated and any new application to be referred to the Portfolio Holder if they are clearly not subject to precedent.*
- 1.9 The Government's expectation is that local authorities should grant relief to qualifying ratepayers. This expectation is clearly expressed in a letter to local authority chief executive officers from Marcus Jones MP on 22nd June 2017. This letter is attached as a background document to this report.

Proposal

- 2.1 It is proposed that the guidance at Appendix 1 is approved for use in the determination of applications for discretionary pubs relief. This guidance is an updated version of previously adopted guidance which allows for the extension of this relief into the financial year 2008/19.
- 2.2 It is proposed that the Portfolio Holder for Resources and Reputation allows the determination of discretionary relief in the first instance to be delegated to the Director responsible for Revenues Services in relation to pubs relief as described above.
- 2.3 It is not proposed that any other form of discretionary relief, other than pubs relief, is delegated to the Director for determination in the first instance. Therefore, the power set out in paragraph 1.7 will continue to apply in cases

other than applications for pubs relief or any other relief which currently has a specified delegation.

Alternative Options

3.1 The alternative to the proposal would be to report each application for pubs relief to the Portfolio Holder for Resources and Reputation for his determination as directed by the Council's constitution. This would mean the Portfolio Holder for Resources and Reputation would have to consider all applications for pubs relief over the next financial year which would place an unnecessary burden on the Executive.

Financial Implications

4.1 The Council is required to make an estimate of the amount of relief to be granted in the NNDR 1 Return for 2017/18. The final cost to the Council will be calculated and reconciled following the NNDR3 Return for 2017/18.

4.2 The Government will fully reimburse local authorities for the local share of the discretionary relief using a grant under section 31 of the Local Government Act 2003. Therefore, the financial implications to the Council are neutral.

Appendices

5.1 Appendix 1 – Gedling Borough Council Pubs Relief Guidance

Background Papers

6.1 DCLG Business Rates Information Letter – 24th November 2017

6.2 Marcus Jones MP Letter to Local Authority Chief Executive Officers – 22nd June 2017

Recommendations

THAT:

(a) the Council's guidance for determining an application for discretionary pubs relief at Appendix 1 is approved.

(b) the determination of applications for discretionary pubs relief in the first instance is delegated to the Director responsible for Revenues Services.

Reasons for Recommendations

- 7.1 The Council is expected by Government to grant relief in line with the guidance it has published. No other guidance has been published by Government on this subject.
- 7.2 To ensure efficient decision making and avoid the Executive from becoming overwhelmed by applications, it is appropriate that this function is delegated to officers.
- 7.3 It is considered that such determinations, where explicit guidance is accepted and adopted, are a standard revenues function and should be performed by the Council's officers and not its members.