

Report to Portfolio Holder for Resources & Reputation

Subject National Non-Domestic Rates | Nursery Discount 2020/21 | Covid-19

Date 21st March 2020

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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 nursery discount.
- 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 non-domestic nursery premises in the Borough of Gedling.

Key Decision

This is not a key decision.

Recommendation(s)

THAT:

- 1) the Council's guidance for determining an application for discretionary nursery discount at Appendix 1 is approved.
- 2) the determination of applications for discretionary nursery discount is delegated to the Director responsible for Revenues Services.

1 Background

- 1.1 As an extraordinary response to the coronavirus, the Government announced a business rates nursery discount on 18th March 2020.
- 1.2 As this is a measure which will be in place for only one year, it is not the Government's intention to make any alteration to the existing legislation in relation to reliefs.
- 1.3 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 and for any reason, to the occupiers of non-domestic property.
- 1.4 The Government intends that Gedling Borough Council should grant nursery discount to businesses under its existing powers to grant discretionary relief after taking account of its guidance.
- 1.5 Gedling Borough Council's Constitution currently provides for initial applications for discretionary relief to be submitted to the Portfolio Holder for determination. This constitutional requirement is set out in paragraph 1.6 of this report below.
- 1.6 *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.*
- 1.7 The Government's expectation is that local authorities should grant relief to qualifying ratepayers.

2 Proposal

- 2.1 It is proposed that the guidance at Appendix 1 is approved for use in the determination of applications for discretionary nursery discount.
- 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 nursery discount as described above.
- 2.3 It is not proposed that any other form of discretionary relief, other than nursery discount, is delegated to the Director for determination in the first instance. Therefore the delegation set out in paragraph 1.6 will continue

to apply in cases other than applications for nursery discount or where other specific delegations apply.

3 Alternative Options

- 3.1 An alternative to the proposal would be to report each application for nursery discount to the Portfolio Holder for Resources and Reputation for his determination as directed by the Council's constitution. Currently this would mean the Portfolio Holder would have to consider over 20 applications. This would place an unnecessary burden on the Executive.

4 Financial Implications

- 4.1 The Council is required to make an estimate of the amount of relief to be granted in the National Non-Domestic Rate Return (NNDR1) for 2020/21. No current estimate has been provided for the granting of nursery discount in 2020/21. This is because there was no requirement for such a discount at the time the NNDR1 was submitted.
- 4.2 After a test of data based on the proposed guidance, it is estimated that the amount of relief to be granted would be approximately £142,000. It is likely that the Government will ask for revised estimates to those given in the NNDR1 return for 2020/21.
- 4.3 Government will fully reimburse local authorities for the local share of the discretionary discount using a grant under s31 of the Local Government Act 2003. Therefore, the financial implications to the Council are neutral.

5 Appendices

- 5.1 Appendix 1 - Gedling Borough Council Nursery Discount Guidance 2020/21 | Covid-19

6 Background Papers

- 6.1 MHLG Business Rates Nursery Discount 2020/21: Coronavirus Response - Local Authority Guidance

7 Reasons for Recommendations

- 7.1 The Council is expected by Government to grant this discount 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.