

Report to Portfolio Holder for Corporate Resources and Performance

Subject: National Non-Domestic Rates - Discretionary Relief Guidance

Date: 24th May 2024

Author: Revenues Services Manager

Wards Affected

All

Purpose

The purpose of this report is to seek approval to adopt the Council's updated Discretionary Rate Relief Guidance at appendix 1.

Key Decision

This is not a key decision.

Recommendation(s)

THAT:

The discretionary business rates relief guidance at appendix 1 is adopted.

1 Background

- 1.1 The Local Government Finance Act 1988 and subsequent legislation allows Local Authorities to grant discretionary rate relief to premises occupied by charities or to organisations that are non-profit making. Certain premises situated within a rural settlement area are also eligible for relief.
- 1.2 Powers granted under the Localism Act 2011 allow for the granting of discretionary relief to any business rates payer where the Council feels

that the granting of such relief would be in the interests of the council tax taxpayer.

- 1.3 The Non-Domestic Rating Act 2023 received Royal Assent on 26th October 2023. The Act makes changes to the discretionary rates relief rules under Section 47 of the Local Government Finance Act 1988.
- 1.4 The Act changes the rules around when relief can start and when it can be ended and the notice required.
- 1.5 The Council's Discretionary Rate Relief Guidance has been reviewed and updated to reflect the changes made by The Act.
- 1.6 A Practice Note issued by the Department for the Environment and the Welsh Office jointly in 1990 recommends that although authorities may wish to have readily understood policies for deciding whether or not to grant relief, and for determining the amount of relief to grant, they should not adopt a policy or rule which allows a case to be disposed of without any consideration as to its individual merits.
- 1.7 The drafted guidance to which this report relates is appended to this report at appendix 1.

2. Proposal

- 2.1 It is proposed that the discretionary business rates relief guidance at appendix 1 is adopted.

3 Alternative Options

- 3.1 The Council could choose not to adopt guidance. To do so would introduce ambiguity into the process of exercising discretion in relation to business rates. Such ambiguity may lead to inequity in the decision making of the Council's executive.

4 Financial Implications

- 4.1 Under the arrangements for local business rate retention in England, the cost of all reliefs is split between the Government, Gedling Borough Council and the major precepting authorities.

- 4.2 For any award of discretionary top up for charities, CASCs or eligible rural properties, 25% of the relief awarded will be funded by Central Government and 75% is paid for by Gedling Borough's Council Tax payers.
- 4.3 If discretionary rate relief is granted to a not for profit organisation, 75% of the cost is paid for by Central Government and 25% is paid for by Gedling Borough's Council Tax payers.
- 4.4 In the case of other businesses not falling within the above groups, the full cost of any relief granted is met by Gedling Borough's Council Tax payers.

5 Legal Implications

- 5.1 Section 47 of the Local Government Finance Act 1988 permits the billing authority to grant discretionary rate relief. Regard must be given to relevant government guidance in relation to discretionary relief when assessing any application for relief.
- 5.2 Discretionary rate relief could amount to financial assistance governed by the Subsidy Control Act 2022. A subsidy refers to a grant, a tax relief, a loan, or other form of financial assistance paid from public resources.
- 5.3 Authorities giving subsidies must comply with the UK's international subsidy control commitments.

Further information about subsidy control can be found on the [GOV.UK website](https://www.gov.uk)

6 Equalities Implications

- 6.1 There are no specific equality implications arising from this report. The Council is likely to receive relief applications from businesses and individuals from all sections of the community including people in protected characteristic groups (as defined by the Equalities Act 2010) who may be eligible for support in line with the Council's guidance. The amount of financial support is not based on any particular characteristic and the opportunity to apply for relief is available to anyone in line with the adopted guidance.

7 Carbon Reduction/Environmental Sustainability Implications

- 7.1 There are no known carbon reduction/sustainability implications arising from this report.

8 Appendices

8.1 Appendix 1 – National Non-Domestic Rates - Discretionary Relief Guidance

9 Background Papers

9.1 None identified

10 Reasons for Recommendations

10.1 The adoption of the National Non-Domestic Rates - Discretionary Relief Guidance ensures fair and consistent decision making and reduced the risk of legal challenge.

10.2

Statutory Officer approval

Approved by:

Date:

On behalf of the Chief Financial Officer

Approved by:

Date:

On behalf of the Monitoring Officer