

## **HAMBLETON DISTRICT COUNCIL**

**Report To:** Cabinet  
18 March 2014

**Subject:** DISCRETIONARY BUSINESS RATE RELIEF

**All Wards**

**Portfolio Holder for Support Services and Economic Development: Councillor P R Wilkinson**

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### **1.0 PURPOSE OF REPORT:**

1.1 To submit for Members' consideration a policy for the determination of the allocation of Discretionary Rate Relief to retail business premises.

### **2.0 BACKGROUND:**

2.1 The Chancellor's 2013 Autumn Statement announced that retail premises with rateable values of less than £50,000 would be eligible for a reduction of £1,000 on their business rate bill from April 2014. The Department for Communities and Local Government announced that the award of this reduction would be on a discretionary basis. It is, therefore, prudent for the Council to have a policy for the award of this reduction that ensures business growth and the sustainability of local businesses.

2.2 Without formulating a policy, there is a risk that application of the reduction to any business could breach state aid limitations. Also, there is a risk that the relief could be applied to businesses that do not necessarily boost the local economy.

### **3.0 POLICY DETAILS:**

3.1 Guidance has been published by the Department for Communities and Local Government regarding the types of businesses that can be eligible for the £1,000 discount. Such businesses include shops, restaurants and public houses.

3.2 Businesses that are not eligible include financial services such as banks, building societies and professional services such as accountants and solicitors as well as betting shops.

3.3 It is estimated that the value of relief that will be applied in accordance with the proposed policy will be in the region of £0.5m for the year 2014/15 and be applicable to approximately 500 business premises in the District.

3.4 The relief can be applied in conjunction with other reductions from business rates such as small business rate relief.

3.5 Businesses who are eligible for the relief, but whose liability is less than £1,000 will receive relief amounting to their net annual liability.

3.6 Businesses will be required to apply for the relief, which will not be automatically granted.

#### **4.0 FINANCIAL IMPLICATIONS:**

4.1 There is no direct financial cost to the Council as the cost of the relief is fully reimbursed from Central Government.

#### **5.0 RISKS:**

5.1 There are no significant risks associated with this report.

#### **6.0 RECOMMENDATIONS:**

6.1 It is recommended that:-

- (1) Cabinet approve the Retail Relief for Business Rates Policy to Council in accordance with the Department for Communities and Local Government guidance with the following exclusions:-
  - (a) Any ratepayer that occupies 50 or more premises in England and Wales; and
  - (b) Charity shops in receipt of 80% Mandatory Business Rate Relief.
- (2) approval of Discretionary Business Rate Relief is delegated to Officers in line with this policy.

JUSTIN IVES

**Background papers:** None

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