
REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 9
DATE OF MEETING:	24th APRIL 2014	CATEGORY: DELEGATED
REPORT FROM:	DIRECTOR OF FINANCE and CORPORATE SERVICES	
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (01283 595811) kevin.stackhouse@south-derbys.gov.uk	DOC: u/ks/revenues and benefits/policies and procedures/temporary discretionary rate relief scheme
SUBJECT:	TEMPORARY DISCRETIONARY RATE RELIEF SCHEME	REF:
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 08

1.0 Recommendations

1.1 That consideration is given to the introduction of a temporary Business Rate Relief Scheme in accordance with Government proposals.

2.0 Purpose of Report

2.1 To consider the introduction of a temporary Business Rate Relief Scheme.

3.0 Executive Summary

3.1 The estimated cost of the proposed scheme is neutral given the full reimbursement of any relief by way of a specific grant.

4.0 Detail

4.1 Following budget announcements by the Treasury in October 2013, the Government has introduced three new temporary Discretionary Rate Reliefs for businesses, namely:

- Unoccupied newly built commercial properties - relief from empty rates for up to 18 months for completions between 1 October 2013 and 30 September 2016, subject to State Aid limits.
- Re-occupation relief up to 50% - for new occupants of property that has previously been occupied but which has been empty for over a year immediately prior to re-occupation.
- Retail relief of up to £1,000 - for specified properties with a Rateable Value of less than £50,000 in 2014/15 and 2015/16.

4.2 These add to the current schemes, which are as follows:

- Discretionary Rate Relief
 - – up to 100% relief for ‘Not for profit’ organisations
 - – top–up relief of up to 20% for Charities already receiving 80 % relief
 - Discretionary Rural Rate Relief - up to 50% for specified business in areas with a population of below 3,000
 - Hardship Relief - up to 100% in exceptional circumstances where the general body of taxpayers will derive some benefit from the grant of the relief.
 - Part-occupied relief of 100% - based on a Rateable Value apportionment in respect of the non-productive and unused area(s).
- 4.3 The new reliefs are temporary and as such the Government is not proposing to change the legislation around the existing arrangements. It intends to fully reimburse local billing authorities that use their discretionary powers, under the Localism Act, to grant relief. This will be by way of a grant under Section 31 of the Local Government Act 2003.
- 4.4 As the grant of relief is discretionary, authorities may choose not to grant relief, for example where it would go against the Council’s wider objectives for the local area.
- 4.5 It is therefore appropriate that although any relief granted is fully funded and as the Government is encouraging local authorities to grant relief, individual councils determine the actual scope of relief to be granted
- 4.6 However, it is considered that there is no compelling reason why the Council should not adopt the Government’s proposals, as it would fit into the Council’s key priority of developing economic and employment opportunities in the District.

5.0 Financial Implications

- 5.1 Provisional estimates of the amount of relief to be granted and reimbursed in full, to this Council, excluding the County element, have been provided to the Government with the Statutory NNDR 1 return, and are as follows:

New empty property relief	£7,228
Re-occupation relief	£29,474
Retail Relief	£35,170

6.0 Corporate Implications

- 6.1 None

7.0 Community Implications

- 7.1 As highlighted in paragraph 4.6 above.

8.0 Background Papers

- 8.1 Business Rate Retention Scheme
 8.2 Local Government Finance Act 1988, as amended.
 8.3 Localism Act