

**Bolsover District Council**

**Executive**

**4th March 2019**

**Business Rates Discretionary Retail Discount**

**Report of the Portfolio Holder - Finance & Resources and  
Renewable Energy**

This report is public

**Purpose of the Report**

- To provide Executive with details of the Government's proposals for a new discretionary business rates retail discount scheme designed to support certain small and medium retail businesses and request approval to adopt a scheme to meet the intent of the proposals.

**1 Report Details**

- 1.1 National Non-Domestic rates (business rates) are levied on non-domestic properties which appear in the local rating list. A proportion of the amount collected by the council, 50% for 2019/20, is retained locally and provides a significant contribution towards the cost of providing local services.
- 1.2 In the Autumn Budget 2018, the Government announced that eligible occupied retailers with a rateable value below £51,000 will receive a one third discount on their business rates bills. This scheme will run in 2019/20 and 2020/21 and is restricted to "retail" properties by a broad definition relating to the sale of tangible goods, including prepared food and drink rather than services and is specified in detail in Appendix 1.
- 1.3 As the discount is scheduled to last for only 2 years the Government does not intend to amend primary legislation but expects councils to use their discretionary powers under section 47 of the Local Government Finance Act 1988, as amended to grant the discount, the value of which will be reimbursed by a grant under Section 31 of the Local Government Act 2003
- 1.4 The detail of the scheme which the government expects rating authorities to adopt is provided in a guidance document from the Ministry of Housing, Communities and Local Government and the council's scheme will be based on that document and will follow the government guidance notes in full. Eligibility will be determined for the financial year 2019/20 in the first instance and the discounts applied automatically to qualifying businesses' bills.

- 1.5 Only discount granted within the Government guidelines will be eligible for reimbursement and Local Authorities have been requested to estimate the likely cost of providing this in their National Non Domestic Rate Return 1 (NNDR1).

## **2 Conclusions and Reasons for Recommendation**

- 2.1 The report seeks agreement to introduce the proposed Business Rates Discretionary Retail Discount Scheme, in accordance with the Government's establishment of funding.

## **3 Consultation and Equality Impact**

- 3.1 There are no consultation or equality issues arising from this report.

## **4 Alternative Options and Reasons for Rejection**

- 4.1 Should the Council decide to not adopt the scheme, retail properties within the district may not be able eligible to access the discount to their business rates.

## **5 Implications**

### **5.1 Finance and Risk Implications**

- 5.1.1 The government has confirmed that the council will be fully reimbursed for qualifying expenditure incurred in line with the guidance.
- 5.1.2 The estimate of total additional discount to be granted for the council is £305,000 of which the 50% share of the Council's and other local precepting authorities is expected to be fully reimbursed.

### **5.2 Legal Implications including Data Protection**

- 5.2.1 The council has been given the responsibility to assist the Government in providing an additional business rates discount to assist retail business in the area through exercising discretionary powers and must consider and formally approve the use of these powers.
- 5.2.2 Section 47 of the Local Government Finance Act 1988 allows a billing authority to provide discretionary relief for business rates.
- 5.2.3 State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary discount falls within the definition and in order for businesses to be compliant with the De Minimis Regulations (EC 1407/2013) they must sign a declaration that the award of this discount is within the threshold of €200,000 received over a rolling three year period. The State Aid provisions will be assessed as part of the eligibility evaluation process.

### **5.3 Human Resources Implications**

- 5.3.1 There are no issues arising directly from this report.

## 6 Recommendation

- 6.1 That Executive formally approves the adoption of a new business rates retail discount scheme as set out in Appendix 1, for the financial years 2019-20 to 2020-2021.

## 7 Decision Information

<p><b>Is the decision a Key Decision?</b>  A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:  <i>BDC: Revenue - £75,000</i> <input checked="" type="checkbox"/>  <i>Capital - £150,000</i> <input type="checkbox"/>  <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/>  <i>Capital - £250,000</i> <input type="checkbox"/>  <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	Yes
<p><b>Is the decision subject to Call-In?</b>  (Only Key Decisions are subject to Call-In)</p>	Yes
<p><b>Has the relevant Portfolio Holder been informed</b></p>	Yes
<p><b>District Wards Affected</b></p>	None directly
<p><b>Links to Corporate Plan priorities or Policy Framework</b></p>	All.

## 8 Document Information

Appendix No	Title
1	NEDDC Business Rates Discretionary Retail Discount Scheme
<p><b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)</p>	
<p><b>Report Author</b></p>	
<p><b>Contact Number</b></p>	
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