

Executive

Non-Domestic Rates Discretionary Rate Relief Policy

Relevant Portfolio Holder	Councillor Luke Court
Portfolio Holder Consulted	No
Relevant Head of Service	Bernard Ofori-Atta Head of Finance and Customer Services
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Wards Affected	All
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	Run and grow a successful business
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

The Executive Committee RECOMMEND that the amended Non-Domestic Rates Discretionary Relief policy is approved and adopted from 1st April 2024.

2. BACKGROUND

- 2.1 Section 47 of The Local Government Finance Act 1988 [the act] provides local authorities with the power to award discretionary rate relief to ratepayers.
- 2.2 Section 47(7) of the act limits the period for which relief can be backdated and provides that a decision to award relief is invalid if made more than 6 months after the end of the rate year for which the relief will be awarded.
- 2.3 The Non-Domestic Rating (Discretionary Relief) Regulations 1989 [the regulations] contain further provisions which require local authorities to notify ratepayers in writing of the first day and last day on which a decision to award relief will apply and require the authority to provide one year's notice of the removal of any relief.
- 2.4 The Non-Domestic Rating Act 2023 amends section 47 of the act and removes the restriction on backdating relief for any period beginning on or after 1st April 2023. The Government has confirmed in business rates information letter 4 of 2023 that the regulations will be revoked from 1st April 2024. The effect of the two changes is that billing

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authorities will have full flexibility on the award, backdating and revocation of discretionary rate relief from 1st April 2024.

- 2.5 The council's discretionary rate relief policy is to be amended to define the circumstances in which backdating of relief will be considered and confirm that awards of discretionary relief will be revoked where the circumstances which precipitated the award of relief change.
- 2.6 The proposed changes to the policy provide that the council will usually award relief from the beginning of the tax year, or the start date of the ratepayer's liability, whichever is the later. Backdating relief will be for periods before the current rate year will be considered where:
- a) The application for relief is made and determined within 6 months of the end of that financial year; and
 - b) Where a hereditament is entered into the rating list for the first time and an application for relief is made within 3 months of the hereditament entering the rating list.
- 2.7 The Government – for schemes such as retail rate relief, local newspaper relief, and supporting small business relief – provides local authorities with funding to award rate payers with discretionary rate relief. The existing policy states that relief will be given to eligible rate payers where the conditions set in Government guidance are met. The proposed changes allow for backdating of government funded reliefs where the costs of the relief will be met by central government.

3. FINANCIAL IMPLICATIONS

- 4.1 The costs of discretionary rate relief are usually shared between central government and major precepting authorities. 50% of the costs of relief are met by central government, 40% by the district council, 9% by county council and 1% by fire and rescue authority.
- 4.2 The costs of Government funded discretionary relief are met in full through section 31 funding.
- 4.3 The changes to the policy retain general limits on backdating of relief for reliefs where the costs are in part met locally and allow full backdating of relief where funding will be provided by central government. The changes to the policy will have limited financial impact.

4. LEGAL IMPLICATIONS

- 4.1 The legislative framework for the award of discretionary rate relief is noted in the background section of the report.

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5. STRATEGIC PURPOSES – IMPLICATIONS

Relevant Strategic Purpose

- 5.1 The discretionary rate relief policy support the strategic purpose “run and grow a successful business” by providing a framework for delivering discretionary relief – including retail relief and supporting small business relief – to businesses in a timely and transparent manner.

Climate Change Implications

None

6. OTHER - IMPLICATIONS

- 6.1 None

Equalities and Diversity Implications

- 6.2 None

Operational Implications

- 6.3 None

7. RISK MANAGEMENT

- 7.1 No specific risk identified.

8. APPENDICES and BACKGROUND PAPERS

Appendix A – Discretionary Rate Relief Policy