



**DRAFT PORTFOLIO HOLDER DECISION NOTICE**

**PROPOSED INDIVIDUAL DECISION BY THE PORTFOLIO HOLDER FOR FINANCE**

**TOPIC - DISCRETIONARY BUSINESS RATES RELIEF**

**PROCEDURAL INFORMATION**

The Access to Information Procedure Rules – Part 4, Section 22 of the Council's Constitution provides for a decision to be made by an individual member of Cabinet.

In accordance with the Procedure Rules, the Head of Legal and Democratic Services, the Chief Executive and the Head of Finance are consulted together with Chairman and Vice Chairman of The Overview and Scrutiny Committee and any other relevant overview and scrutiny committee. In addition, all Members are notified.

If five or more Members from those informed so request, the Leader may require the matter to be referred to Cabinet for determination.

**If you wish to make representation on this proposed Decision please contact the relevant Portfolio Holder and the following Democratic Services Officer by 5.00pm on Tuesday 4 April 2017.**

**Contact Officers:**

**Case Officer:** Terri Horner, Head of Revenues Tel: 01962 848160 Email: [thorner@winchester.gov.uk](mailto:thorner@winchester.gov.uk)

**Democratic Services Officer:** Nancy Graham, Senior Democratic Services Officer Tel: 01962 848235 Email: [ngraham@winchester.gov.uk](mailto:ngraham@winchester.gov.uk)

**SUMMARY**

At the March Budget 2017, the Government announced additional funding for councils to establish a discretionary business rates relief scheme to support businesses across the country. Following the Budget, the Government provided a consultation document for responses. This PHD sets out the Council's response to this consultation. The consultation can be found on [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/598261/Discretionary\\_Business\\_Rates\\_Relief\\_Scheme\\_consultation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/598261/Discretionary_Business_Rates_Relief_Scheme_consultation.pdf)

The Government consultation also provided draft indicative discretionary business rates values for the District, and these are set out below.

Local authority	2017-18 Gross bill increase (given property criteria <sup>1</sup> ) (£000s)	Amount of discretionary pot awarded (£000s)			
		2017-18	2018-19	2019-20	2020-21
Winchester	4,503	530	257	106	15

The PHD links to the Council Strategy by providing support to local businesses. This will assist in protecting businesses from significant increases to rates bills.

The financial implications should be zero to the Council. The Council will need to provide its own scheme for this discretionary relief once the Government has responded to this consultation. The intention would be to utilise all Government funding released for this purpose through the Council's scheme.

### **PROPOSED DECISION**

That the Council responds to the Government's Discretionary Business Rates Relief Scheme as set out in Appendix A of the Decision Notice.

### **REASON FOR THE PROPOSED DECISION AND OTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

Proposed decision required to respond to the consultation. The Council could choose not to respond or respond differently to the consultation. However, the proposed response is intended to allow as much flexibility as possible.

### **RESOURCE IMPLICATIONS:**

No implications from the consultation response

### **CONSULTATION UNDERTAKEN ON THE PROPOSED DECISION**

Only with the Portfolio Holder for Finance; the Council will subsequently produce a draft discretionary scheme which will be consulted on more widely and per the Government consultation, must include the County Council.

### **FURTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED FOLLOWING PUBLICATION OF THE DRAFT PORTFOLIO HOLDER DECISION NOTICE**

None

**DECLARATION OF INTERESTS BY THE DECISION MAKER OR A MEMBER OR OFFICER CONSULTED**

None

**DISPENSATION GRANTED BY THE STANDARDS COMMITTEE**

None

**Approved by: (signature)**

**Date of Decision**

**Councillor Stephen Godfrey – Portfolio Holder for Finance**

**APPENDICES:**

Appendix A – Response to Government consultation on discretionary business rate

**Question 1: Do you agree that individual local authorities should be responsible for designing and implementing their own discretionary relief schemes, having regard to local circumstances and reflecting local economies?**

Yes

**Question 2: Are the Government's assumptions about the design of local discretionary relief schemes reasonable?**

Yes, the assumption that local authorities would wish to support lower value businesses and those who face the largest increases are reasonable. Government should also consider the impact of businesses that have multiple properties across the country. In this case, they will benefit from lower valuations in some areas and increases in others; therefore, the scheme should be geared more towards local businesses rather than those with a large number of properties.

Agree that other reliefs need to be taken in to account before further discretionary relief is calculated, but this also should include all types of relief, not just transitional relief, e.g. charity, small business, etc.

**Question 3: Is the allocation methodology reasonable?**

Yes, although a longer transitional period with a gentler taper profile would be highly preferable, assuming more funds can be allocated.

**Question 4: Do you think that authorities should have some flexibility to switch resources between years to ensure relief provided meets local need and provides maximum value for money?**

Yes. Allowing flexibility to spread funds over a number of years is key to ensuring this scheme works. As transitional relief tapers away in future years, and the draft allocation funding is for up front monies to local authorities, allowing councils to use money in later years, when the increases could be more keenly felt, would be very beneficial. Therefore, removing the notional cap applied would also be beneficial as there may be some local authorities who wish to use the funds all at the beginning, and others who wish to use it all towards the end. Putting in the upper limit cap each year would negate this local flexibility.

**Question 5: Do you agree with the proposal that s.31 grant should be paid to compensate authorities for their loss of income under the rates retention scheme up to the maximum of that year's "total pot"?**

No – there should be maximum "total pot" for each year. In line with the response above, there should be full flexibility over the total pot provided. By restricting the annual "total pot" it prevents flexibility to front or back load relief funding to businesses where it might be more appropriate in local circumstances.

**Question 6: Do you agree with the proposals for administering payments, including in-year payments based on estimates, end-year reconciliations and payments quarterly in arrears?**

Yes

**Question 7: Do you agree the grant conditions are appropriate?**

Yes