

To: Cabinet
Date: 15 June 2022
Report of: Head of Financial Services
Title of Report: National Non-Domestic Rate (Business Rates) Discretionary Rate Relief Policy

Summary and recommendations	
Purpose of report:	To approve an updated National Non-Domestic Rates Discretionary Relief policy
Key decision:	Yes
Cabinet Member:	Councillor Nigel Chapman, Cabinet Member for Citizen Focused Services
Corporate Priority:	Enable an inclusive economy
Policy Framework:	Council Strategy 2020-24

Recommendation: That Cabinet resolves to:
1. Approve the updated National Non-Domestic Rates (NNDR) Discretionary Rate Relief policy as attached at Appendix 1.

Appendices	
Appendix 1	Proposed NNDR Discretionary Rate Relief Policy 2022
Appendix 2	Value of Reliefs granted at March 2022
Appendix 3	Risk Register

Introduction and background

1. A Billing Authority should have a readily understood policy for deciding whether or not to grant Discretionary Rate Relief, and for determining the amount of Relief.
2. There have been a number of changes to Rate Reliefs which the Council has implemented since 2018 (when the last policy revision took place).
3. The revised policy for 2022 onwards can be found at Appendix 1.
4. In the Spring Budget on 27 October 2021 the government announced that it would extend the current transitional relief scheme and the supporting small business scheme for one year to the end of the current revaluation cycle. As this is a

temporary measure for 2022/23, the government is not changing the legislation around transitional relief. Instead, the government will, in line with the eligibility criteria set out in guidance, reimburse billing authorities that use their discretionary relief powers, under section 47 of the Local Government Finance Act (LGFA) 1988, to grant relief. The Council are awarding an extension of transitional relief to 17 businesses for the current Rating Year in accordance with the guidance. There are no cases that would be eligible for the Supporting Small Business Scheme extension.

5. The existing policy has been amended to reflect the way Central Government now expects Councils to use their powers under Section 47 LGFA 1988 to administer ad-hoc grants. The Government fully reimburses Local Authorities for the local share of these types of Reliefs using a grant under Section 31 of the Local Government Act 2003.
6. The Council has awarded over £85.3m for Covid related discounts - Retail, Hospitality and Leisure discounts and Nursery discounts since 2020 using its discretionary powers whilst having due regard to the guidance issued by the Government.

Purpose of Discretionary Relief

7. The main purpose of Discretionary Relief is to achieve specific policy outcomes such as:
 - a) Reducing costs to charities
 - b) Supporting certain sectors
 - c) Removing costs associated with development
 - d) Keeping services local
 - e) Regeneration benefits to the City
8. The principal consideration when making an award is that any Discretionary Rate Relief granted is in the best interests of the residents and taxpayers of Oxford City and that it delivers against a specific policy objective.

Purpose of the Policy

9. The purpose of the Policy attached at Appendix 1, is to determine the level of Discretionary Rate Relief to be granted to certain defined ratepayers within the City Council's area.
10. The Policy contains details of the Reliefs available, how to apply for them, and the process should an application be unsuccessful.

Management of the Process

11. The Policy will be available for the public to view on the Council's website.
12. Once a Ratepayer has been awarded Discretionary Rate Relief, the decision can only be revoked by giving at least one year's notice to the Ratepayer with the date of revocation.
13. The Council's normal practice is to grant Discretionary Rate Relief for one year at a time. Ratepayers are advised of this, and prior to the start of a new financial year

we invite those currently in receipt of Discretionary Rate Relief to re-apply for Relief. Supporting evidence or documentation will be requested where required.

14. Unsuccessful applicants are able to request a reconsideration of the decision.
15. Following a review of the decision to refuse Discretionary Rate Relief it can only subsequently be challenged by an application for Judicial Review in the High Court

Financial Implications

16. Since the Business Rates Retention Scheme came into force on the 1st April 2013, Central Government funds 50% of any Discretionary, Mandatory and Part Occupied Relief granted, with the City Council funding 40%, and the County Council funding 10%.
17. Since 2020 Central Government has requested authorities to use their discretionary powers to apply additional Covid-19 related reliefs, giving guidance on the types of Businesses reliefs should be awarded to. Funding for these reliefs is usually fully funded by a Section 31 grant.
18. The current cost to the City Council of granting Discretionary Rate Relief at 31/3/22 is £19,352.10: although this figure will fluctuate throughout the year with businesses ceasing to receive relief and new ones being awarded relief it will have no significant effect on the medium term financial plan (Appendix 2).

Legal Issues

19. The Policy at Appendix 1 outlines the areas in which there is an element of local discretion together with Oxford City Council's approach to the various awards that can be made. The Policy has been drafted with due regard to :-
 - a) the Council's wider financial position and how it affects Council Tax payers generally;
 - b) the organisations and businesses that currently receive or may apply for Relief in the future; and
 - c) the funding that is made available by Central Government to provide full financial support for the Council to award certain categories of relief
20. The Policy also incorporates the principle consideration that when an award of any Relief is granted it is done in the best interests of the residents and taxpayers of Oxford and produces a local benefit.

Risks

21. If the scheme was changed significantly, there would be insufficient budget to meet the cost of granting Discretionary Rate Relief.

Carbon and Environmental Impact

22. There is no environmental impact from the granting of discretionary rate relief.

Equalities

23. Under the policy every application will be considered on its own merits including an assessment of any impact on equalities. Therefore, no separate impact assessment is necessary.

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Background Papers:
None.