

SUBJECT:	DISCRETIONARY RATE RELIEF POLICY
DIRECTORATE:	CHIEF EXECUTIVE
REPORT AUTHOR:	MARTIN WALMSLEY, HEAD OF SHARED REVENUES AND BENEFITS

1. Purpose of Report

- 1.1 To request Executive considers and comments on a new Discretionary Rate Relief Policy to take effect on 1 April 2018.

2. Executive Summary

- 2.1 This report provides Executive with a new Discretionary Rate Relief Policy for the City of Lincoln Council to take effect on 1 April 2018.
- 2.2 The current Discretionary Rate Relief Policy for the City of Lincoln Council was agreed by the Executive on 15 September 2003. As it has not been reviewed since this date, it takes no account of subsequent changes in legislation (i.e. introduction of new reliefs, extension of the criteria for awarding discretionary relief and the effect of business rate retention).
- 2.3 In seeking approval of a new Discretionary Relief Rate Policy for the City of Lincoln Council, it should be noted there are no proposals to change the criteria used by officers when awarding discretionary relief. As a result, organisations will not face an increase / decrease in the % of relief awarded, should the Policy be adopted.
- 2.4 It should be stressed that approval of a new Discretionary Rate Relief Policy does not impact on the Discretionary Rate Relief Scheme the Council were required to implement this year following the Spring 2017 Budget. The award of any future funded reliefs announced by the Government has been provided for in the Discretionary Rate Relief Policy.
- 2.5 This policy review, while fundamentally changing little in terms of current practice and procedure, is essentially to update the previous policy, reflecting changes in legislation, new reliefs etc since 2003 – and to ‘future proof’ such a policy for potential future relief announcements.

3. Discretionary Relief Policy

- 3.1 The proposed Discretionary Rate Relief Policy for the City of Lincoln Council is included in the **Appendix** to the report. Once approved, the Policy will be produced as a booklet (complete with contents and index) and placed on the City of Lincoln Council web site. This will include a facility for the document to be

downloaded and printed.

- 3.2 In drafting the Discretionary Rate Relief Policy, officers researched those of other billing authorities; many of which are readily available on the internet. What became noticeable very early on is that a number are considerably out-of-date and / or inaccurate. This opens the billing authority to challenge by District Audit and / or an aggrieved ratepayer.
- 3.3 Both North Kesteven District Council (who are in a shared service with the City of Lincoln Council) and West Lindsey District Council (for whom the shared service administers their non-domestic rate) are also reviewing their Discretionary Relief Policies. Officers from the City of Lincoln Council are supporting the Council's with their reviews.

4. Strategic Priorities

4.1 Let's Drive Economic Growth

A Discretionary Rate Relief Policy should drive economic growth both in terms of its content and application. It should support local businesses and organisations to promote the provision of local facilities, economic growth, employment and investment to improve prosperity across the District and in particular, support the most disadvantaged communities.

4.2 Let's Reduce Inequality

A key aspiration of the Council is '*Let's help people succeed*'. It is important that any Discretionary Rate Relief Scheme is seen to create employment opportunities for residents. The authority looks to protect the poorest people. The Non-Domestic Rate Service is mindful of the strategic priorities when engaging with business ratepayers as they look to recover the non-domestic rate. Digital Inclusion, Channel Shift, Financial Inclusion and Partnership Working are all key priorities for the shared service.

5. Organisational Impacts

5.1 Finance

The cost of awarding discretionary rate relief changed on the 1 April 2013, with the introduction of 50% business rate retention. Other than where Government has agreed to fund discretionary rate relief, the cost is split between the Government, billing authorities and major preceptors on a fixed percentage basis. For the City of Lincoln Council, 50% is borne by the Government, 40% by the billing authority and 10% by the County Council.

An analysis of the relief awarded by City of Lincoln Council is to be taken annually to the Revenues and Benefits Operational Board and Joint Committee and when requested, the Executive function of the Council.

Government has confirmed its intention to move forward with proposals that will result in 100% business rate retention although this does not include the power to set the level of rate payable. The Discretionary Rate Relief Policy will be reviewed

once further information is available on the Government's proposals.

5.2 Legal Implications including Procurement Rules

Any appeal against a billing authority's decision to refuse the award of discretionary rate relief would be by way of an application for judicial review in the High Court. In the first instance, it is advisable for any appeal against a decision of officers to refuse an application for discretionary rate relief to be considered by senior officers.

5.3 Land, property and accommodation

There are no direct implications arising from this report.

5.4 Human Resources

There are no direct implications arising from this report.

5.5 Equality, Diversity & Human Rights (including the outcome of the EA attached, if required).

The equality implications have been considered within this report.

5.6 Significant Community Impact

There is no change in policy / strategy or the way the service is being delivered.

5.7 Corporate Health and Safety implications

There are no corporate Health and Safety implications.

6. **Risk Implications**

6.1 A Risk Register is in place for the Revenues and Benefits Shared Service.

7. **Recommendation**

7.1 Executive is asked to consider and comment on a new Discretionary Rate Relief Policy to take effect on 1 April 2018.

The draft policy is to be considered by Policy Scrutiny Committee on 16 January, and brought back to Executive on 22 January 2018 for a decision.

Is this a key decision?

Yes / ~~No~~

Do the exempt information categories apply?

~~Yes~~ / No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?

~~Yes~~ / No

How many appendices does the report contain?

1

List of Background Papers:

None

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