

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 16 March 2020

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WARD(S): All

PORTFOLIO: Cllr Balvinder S. Bains, Cabinet Member for Inclusive Growth & Skills

PART I **KEY DECISION**

BUSINESS RATES DISCRETIONARY POLICIES

1 Purpose of Report

To provide updated Council Policies for Business Rates for 2020-21 onwards in respect of

- Retail Discount
- Pub Discount

2 Recommendation(s)/Proposed Action

The Cabinet is requested to resolve that the policies for Business Rates for 2020-21 at Appendix A and B be approved.

3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

The awarding of relief to businesses in line with government guidance is a key priority of the Council.

This report supports the 5 Year Plan through Outcome 5, Slough will attract, retain and grow businesses and investment to provide jobs and opportunities for our residents.

3a. Slough Joint Wellbeing Strategy Priorities

The awarding of Business Rate relief is in line with government legislation and government guidance and is a key priority of the Council in relation to income collection.

3b Five Year Plan Outcomes

This report will primarily have implications for Outcome 5 as it will assist in retaining businesses in the borough as well as attracting businesses to the borough which will provide jobs and opportunities for our residents.

It will also provide overall support to the whole of the 5 year plan as it will help maintain income to the Council.

4 Other Implications

(a) Financial

There are a number of different reliefs that can be awarded under the Business Rates and Council Tax discretionary legislation and they attract different levels of financial support from Central government.

In relation to the following relief's Central Government has provided guidance on how the relief should be awarded and will reimburse Local Authorities for the full amount of the spend as long as the scheme is enacted within the guidelines.

- Retail Discount
- Pub Discount

The Council proposes to administer the scheme within the guidelines and therefore maintain spend within the payment methodology proposed by central government so as not to put any additional pressure on the Council's general fund budget.

Retail Discount, the Council will be fully reimbursed for all awards of Retail Discount as long as they are paid within the guidelines outlined by the government, Council's can award Retail Discount over and above the guidance but must fund this themselves.

Pub Discount, the Council will receive up to £1,000 per Pub Discount awarded for 2020-21 as long as the Rateable Value (RV) of the public House is below £100,000.

(b) Risk Management

Recommendation from section 2 above	Risks/Threats / Opportunities	Current Controls	Using the Risk Management Matrix Score the risk	Future Controls
To approve the following policies Pub Discount Retail Discount	The policies give additional opportunity to businesses to work and remain within the borough by assisting them when there are issues which affect the business, in providing relief it allows the business to remain at the premises,	All policies state the period of relief and all awards are time limited and approved by the S 151 officer The income and expenditure will be monitored throughout the 2020-21 financial year.	6 (Risk of overall increase in expenditure is low as Central Government has stated LA's should not lose income the severity should this happen will be marginal as the amount of loss in relation to the net collectable debit is low)	Policies will be reviewed annually.

	continue trading in Slough and have the opportunity to increase sales in the future			
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(c) Human Rights Act and Other Legal Implications

There are no direct Human Rights implications as this relates to Businesses.

The Law relating to discretionary relief in relation to payment of non-domestic rates is contained in sections 47 and 48 of the Local Government Finance Act 1988, as amended. These provisions permit a local billing authority to determine that a charge payable in respect of a particular property shall be such as is determined by, or found in accordance with rules determined by, the billing authority and not as may be determined by the general charging provisions in that Act.

When making a determination as set out above, however, a billing authority must have regard to any relevant guidance issued by the Secretary of State.

The Secretary of State issued guidance in November 2018 on a business rates retail discount scheme to be operated through the above provisions for the years 2019-20 and 2020-21, and in January 2020 the Secretary of State issued further guidance retail discount and on a pubs discount for the year 2020-21 to be operated in the same manner.

(d) Equalities Impact Assessment

There is no EIA as these policies refer to businesses in the borough only.

5 Supporting Information

- 5.1 The Council has a variety of policies in place in respect of Business Rates, all of which have been kept up to date and are refreshed on a regular basis.
- 5.2 A number of the policies in place are based on government guidance as grants have been awarded to enable the relief to be applied under Section 31 of the Business Rates legislation, but due to time constraints the government has not passed any enabling legislation but stated that the award should be made under the Councils discretionary powers under section 47 of the Local Government Finance Act as amended.
- 5.3 As these are discretionary powers they must be approved by Cabinet or a delegated authority in order for them to be enacted.
- 5.4 The government intended to announce a number of new reliefs for Business Rate payers in the budget which is scheduled for 11 March 2020, and wanted these reliefs on the 2020-21 business rate bills. However it was brought to their attention

that this date would be too late for the bills and a Ministerial announcement was made on 27 January 2020.

- 5.5 The Ministerial announcement stated that the government wished to increase Retail Discount from 33.33% of the Business Rates charged after other reliefs, exemptions and discounts had been applied to 50% of the rates charged after the application of other reliefs, exemptions and discounts.
- 5.6 Slough Borough Council reviewed and agreed a revised Retail Discount Policy in January 2019, this has been updated to reflect the increase of the discount to 50% but the principals of the policy have remained the same, including the same exclusions.
- 5.7 The government guidance has also included live music venues for the first time and Cinema's, which have been added to the policy.
- 5.8 The government guidance states that live music venue's must predominantly play live music and though a number of venues in Slough do play live music none are predominantly live music venue's they are restaurants, pubs etc with live music and to date no venue's have been identified.
- 5.9 In order to ensure that the change can be reflected on the Business Rates bills the Council will update all accounts that are currently in receipt of Retail Discount to 50% discounts and invite charge-payers to inform the Council if they believe they are no longer entitled to the discount.
- 5.10 The Pub Discount policy is based on the guidance from MHCLG and is for one year only. In order that the discount can be reflected on the Business Rates bills immediately, we have identified all those venue's that received Public House Discount in 2018-19 and are still active Pub's as per the rating list and will apply the discounts and invite charge-payers to inform the Council if they believe they are no longer entitled to the discount.
- 5.11 The government grant has been awarded under Section 31 of the Business Rates legislation, and due to time constraints the government has not passed any enabling legislation but stated that the award should be made under the Councils discretionary powers under section 47 of the Local Government Finance Act as amended.
- 5.12 The scheme has been developed in line with the government guidelines to maximise the use of the grant but not to spend more than the allocation.

6 **Comments of Other Committees**

This report has not been considered by any other committees.

7 **Conclusion**

That Members are requested to review and approve these policies.

8 **Appendices Attached**

- 'A' - Retail Discount
'B' - Pub Discount

Background Papers

- "1" - Business Rates Information letter (1/2020) from MHCLG
- "2" - Local Government Finance Act 1992 as amended
- "3" - Local Government Finance Act 1988 as amended