

## Agenda Item 6

<b>Executive Member</b>	Councillor Simon Ling
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<b>Date</b>	17 February 2015

<b>Ward (s) affected</b>		<b>Key Decision</b>	No
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<b>Subject</b>	Business Rate Transitional Relief
<b>RECOMMENDATIONS</b>	
(1)	That the Council approves a Local Discount Scheme in respect of Transitional Relief for small and medium business properties.
(2)	That the Council notes the intention to amend Part 3 of the Constitution to enable the Section 151 Officer in consultation with the Executive Member for Finance and Corporate Services to adopt such Business Rate and Council Tax discounts as Local Authorities are expected to implement, as detailed in paragraph 1.5.

<b>CORPORATE PRIORITIES</b>
<b>Environment -</b> To support businesses and the local economy

<b>The Council has the authority to determine the Recommendations</b>
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### 1.0 INTRODUCTION

- 1.1 In his Autumn Statement on 3 December 2014 the Chancellor announced that there would be an extension of the transitional relief scheme for small and medium properties.
- 1.2 On 14 January 2015 the Department of Communities and Local Government issued guidance on how the relief would be provided. The guidance states that as the scheme would be in force for a maximum of two years there was no intention to extend existing legislation or to introduce new legislation to enable this to be implemented.

- 1.3 The guidance indicates that authorities are expected to implement the transitional relief as a local discount by utilising their powers under section 47 of the Local Government Finance Act 1988, with the cost being reimbursed by way of a grant under section 31 of the Local Government Act 2003.
- 1.4 The qualifying criteria for the local discount in respect of transitional relief would be:
- The property has a rateable value of £50,000 or less.
  - The property was in receipt of transitional relief for the financial year 2015/16 and would have qualified for transitional relief had the scheme continued in its current format for the 2015/16 and or 2016/17 financial years.
- 1.5 This expectation to implement Government initiatives by using the discretionary relief powers granted under the provisions of section 47 of the Local Government Finance Act 1988 and then reimburse expenditure by way of grant under section 31 of the Local Government Act 2003 follows on from a number of reliefs announced in January last year. As it would appear that this method of implementing Government policy is increasing it would appear prudent to delegate authority to the s151 Officer in consultation with the Executive Member for Finance and Corporate Services to adopt such discounts as Local Authorities are expected to implement provided that there is an undertaking to reimburse expenditure by way of section 31 grant thereby making the discretion cost neutral, this delegation to be effective for both Business Rate and Council Tax. It is proposed therefore to amend the Constitution of the Council accordingly. Item 7 on this agenda includes the appropriate amendment to the Scheme of Delegation (Part 3 of the Constitution).

**Financial Implications** – the value of any relief awarded would be funded through a grant under section 31 of the Local Government Act 2003.

**Legal Implications** – there is an expectation that all billing authorities adopt this discount in accordance with the Department for Communities and Local Government guidance. Other legal implications are set out in the report.

### **3.0 CORPORATE IMPLICATIONS**

**Monitoring Officer Commentary** – I confirm that all legal implications have been taken into account.

**S151 Officer Commentary** - The s151 Officer confirms that all relevant risks and financial considerations have been taken into account. The Government has announced its intention to fund this discount, so the Council will expect the reduced income to be reimbursed through grant issued under s31, Local Government Act 2003.

**Risk Implications** – There is a reputational risk attached should this local discount not be adopted by Mole Valley and it is granted by neighbouring Districts and Boroughs.

**Equalities Implications** – No equality issues have been identified and if adopted the relief would be applied consistently for all qualifying properties.

**Employment Issues** – None as a result of this report.

**Sustainability Issues** – None as a result of this report.

## **BACKGROUND PAPERS**

None