



**Council Cabinet
7 August 2019**

Report sponsor: Paul Simpson,
Strategic Director of Corporate Resources
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Head of Revenues, Benefits and Exchequer
Services

ITEM 9

Revision to the National Non-Domestic Rates Policy for the award of Discretionary Rate Relief

Purpose

- 1.1 Discretionary Rate Relief (DRR) is a means by which Derby City Council (DCC) can use its discretionary powers to reduce the amount of Business Rates a business has to pay. Generally, there is a direct cost to DCC in awarding DRR and therefore expenditure has been controlled through the operation of a Policy for a number of years.
- 1.2 The Council's Policy is being refreshed to take account of recent clarification that the date by which businesses need to have located on Infinity Park Enterprise Zone by, in order to qualify for 'enterprise zone' status, has been extended to 31 March 2021. Previously the deadline was 31 March 2018.
- 1.3 Any DRR award made as a result of extending the existing scheme is fully funded by the Government by way of grant paid under Section 31 of the Local Government Act 2003. As such there will be no additional cost to the Council as a result of the recommended changes to the Policy included in this report.
- 1.4 Much of the Policy, including the criteria for awarding reliefs to charities and non-profit making organisations has not changed as a result of this update. The revised DRR Policy is available on CMIS and the proposed changes to the policy have been highlighted to make it easier for the reader.

Recommendation

- 2.1 To approve the revised DRR Policy (available on CMIS).

Reason

- 3.1 To ensure that qualifying businesses can receive DRR.

Supporting information

- 4.1 Business Rates are payable on most commercial properties across the City and the money collected helps to pay for local services. Within the Business Rates scheme a number of reliefs are available to the ratepayer which reduces the amount of Business Rates payable.
- 4.2 Some of these reliefs are 'mandatory' and have to be awarded if relevant criteria are met. Others are classed as 'discretionary,' and for these, DCC can decide whether or not to grant relief.
- 4.3 Generally, there is a direct cost to DCC in awarding DRR and therefore expenditure has been controlled through the operation of a Policy for a number of years. DCC's DRR Policy covers how applications for DRR are considered. Much of the Policy, including the criteria for awarding reliefs to charities, non-profit making organisations and certain sport clubs has not changed as a result of this update.
- 4.4 Paragraph 15 of the Council's DRR Policy details how applications for DRR from businesses locating on Infinity Park Enterprise Zone are handled. Recent clarification has extended the date by which businesses must have located on Infinity Park by, in order for them to potentially access Business Rates reliefs, to 31 March 2021. Previously it was 31 March 2018.

The full qualifying criteria are set out in paragraph 15 of the Council's revised DRR Policy.

- 4.5 Any DRR award made as a result of this date extension will be fully funded by the Government through Section 31 grant. As such any award made as a result of the changes being recommended in this paper will have no cost implications for the Council.
- 4.6 The Council's DRR Policy had a full Equalities Impact Assessment (EIA) completed in August 2017. Given that the change proposed in this version is to extend an existing scheme a further EIA is not necessary. The EIA completed in August 2017 found that our Scheme broadly had a positive impact on our diversity groups and the fact that more businesses can potentially access relief will only enhance that. In reviewing it as part of the process of preparing and presenting this report, the impact remains valid and there are no other additional impacts.

Public/stakeholder engagement

- 5.1 The changes recommended to the Council's DRR Policy will deliver support to more businesses and organisations within the city. Further, the Council will not suffer any financial loss. As a result there has been no public or stakeholder engagement in determining it.

Other options

- 6.1 Do not amend the Policy. This option would mean that DCC loses the opportunity to support more businesses and organisations within the city potentially resulting in reputational damage for DCC and creating undue hardship for the business community. Therefore this is not recommended.

Financial and value for money issues

- 7.1 The Council does not get S31 grant for all DRR awarded – however all the changes recommended to the Council's DRR Policy in this instance will be fully funded by the Government through Section 31 grant. As such there will be no direct financial impact to the Council.

Legal implications

- 8.1 The rules governing the award of DRR are contained within the Local Government Finance Act 1988 (as amended) and subsequent Statutory Instruments.

There is a need to revise the existing Policy in order to give effect to Central Government policy and the award of grant to DCC to meet this initiative.

Other significant implications

- 9.1 None with this report.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Olu Idowu, Head of Legal Services	28 June 2019
Finance	Toni Nash, Head of Finance	18 June 2019
Service Director(s)	Don McLure, Strategic Director of Corporate Resources	18 June 2019
Report sponsor	Lynda Innocent, Head of Transformation and Business Applications	18 June 2019
Other(s)	Liz Moore, Head of HR	18 June 2019
	Jonathan Sayer, Principal Regeneration Manager	2 July 2019
	Catherine Williams, Head of Regeneration Projects	3 July 2019

