



Rochford District
Council

REPORT TITLE:	Amendment to the exiting policy for the granting of Discretionary Non-Domestic Rate Relief
REPORT OF:	Executive Lead Member – Resources, Climate Change & Economy, Cllr Michael Hoy

REPORT SUMMARY

To approve an amendment to the existing policy for the granting of Discretionary Non-Domestic Rate Relief as a result of a change in legislation effective from 1st April 2024. The change is in relation to the backdating of discretionary relief.

RECOMMENDATIONS

- R1 - To approve an amendment to the existing policy for the granting of Discretionary Non Domestic Rate Relief.**

SUPPORTING INFORMATION

1.0 REASON FOR RECOMMENDATIONS

- 1.1 The policy is required to comply with Section 47 of the Local Government Finance Act 1988, the Localism Act 2011 and the Non-Domestic Rating Act 2023.

2.0 BACKGROUND INFORMATION

- 2.1 The Council has an existing policy which sets out the criteria for granting of Discretionary Non-Domestic Rate Relief. Non-Domestic Rate Relief provides support to defined ratepayers within the district by reducing their Non-Domestic Rates charge. These reliefs are funded either wholly or in part by Central Government.

- 2.2 Under Section 47 of the Local Government Finance Act 1998 rating authorities are given the discretion to award relief to businesses in the following circumstances:
- Registered charities and community and amateur sports clubs (CASCs) are entitled to mandatory relief of 80%, the Council has the discretion to award a further discretionary relief of up to 20%.
 - The Council has the discretion to award discretionary relief to rural properties who are not entitled to mandatory rural rate relief, providing the relevant criteria are met.
 - The Council has the discretion to award relief of up to 100% to organisations which are established as not for profit and meet the relevant criteria. The amount of discretionary relief awarded is entirely at the discretion of the Council.
- 2.3 The Localism Act 2011 gave local authorities the power to decide locally to award relief in any circumstances, if it would be reasonable to do so having regard to the interest of Council Taxpayers in its area. Guidance issued by the Secretary of State must be followed when granting this relief. In 2017 as a result of the business rates revaluation exercise, more reliefs were introduced by the government. This has included the Supporting Small Businesses Scheme, Local Newspaper Relief, and Retail, Hospitality and Leisure Relief which are awarded following government guidance.
- 2.4 In November 2023 the Non-Domestic Rating Act 2023 was passed which revoked the previous rules governing the application of discretionary relief by local authorities.
- 2.5 Currently discretionary relief should be backdated to April of the previous financial year, if the application is made by 30th September of the current financial year. Claims made after this date are backdated to the beginning of the current financial year.
- 2.6 From 1st April 2024 local authorities are able to decide whether to award backdating of discretionary relief locally. This then forms part of the Discretionary Non-domestic Rate Relief Policy.
- 2.7 It is being recommended that for any discretionary rate relief scheme fully funded by Central government the Council will consider backdating up to six years from the date of application, but not before 1st April 2023. For all other discretionary rate reliefs schemes the Council will backdate from the beginning of the financial year in which the application is made or the date liability begins whichever is the later.

3.0 OTHER OPTIONS CONSIDERED

3.1 n/a

4.0 RELEVANT RISKS

4.1 If we do not amend our policy to include details of when we will backdate and how long we could leave the Council open to ratepayers requesting backdated relief over a number of years. This could result in cost to the Council.

5.0 ENGAGEMENT/CONSULTATION

5.1 n/a.

6.0 FINANCIAL IMPLICATIONS

6.1 The Discretionary Non-Domestic Rate Relief policy sets out the backdating award criteria for each relief. For any discretionary rate relief schemes fully funded by the Government the council will consider backdating up to six years from the date of application, but not before 1 April 2023. For all other discretionary rate relief schemes the council will backdate from the beginning of the financial year in which the application is made or when liability begins, whichever is later.

2023/24 expenditure

Relief Type	Amount of cases	Expenditure Government Funded (Section 31)	Expenditure Funded by Rochford (at 40%)	Total Expenditure
Charity relief at 20%	12	£1,746	£1,397	£3,143
Rural rate relief	0	0	0	0
Localism	0	0	0	0
Local newspaper relief	0	0	0	0
Supporting small business relief	203	£611,991	N/A	£611,991
Retail, hospitality and leisure relief	263	£2,271,142	N/A	£2,271,142
Hardship relief	0	0	0	0

6.2 The reliefs where this revised policy could impact Council expenditure are charity relief, localism and hardship relief. The discretionary element of the

charity relief is 20% of the liability, 40% of which is funded by the Council. The number of applications and costs for localism and hardship relief are unknown at present as we do not have any current cases. However, the policy is robust and for any awards of relief to be made in these situations businesses must complete an application process and meet stringent criteria and be the exception rather than the rule.

7.0 LEGAL/GOVERNANCE IMPLICATIONS

7.1 The legislation that covers this report and the recommendation made is as follows:

- Section 47 Local government Finance Act 1988
- Section 69 Localism Act 2011
- Non-domestic Rating Act 2023

8.0 EQUALITY & HEALTH IMPLICATIONS

8.1 The Discretionary Non-Domestic Rate Relief Policy applies to all businesses within the district. The proposals in this policy will not have a disproportionate adverse impact on anyone with a protected characteristic.

9.0 ENVIRONMENT & CLIMATE IMPLICATIONS

9.1 None

10.0 ECONOMIC IMPLICATIONS

10.1 The Discretionary Non-Domestic Rate Relief Policy supports businesses in the district by defining what reliefs are available and the qualifying criteria for each relief.

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APPENDICES: Appendix 1 – Rochford District Council Policy for the granting of Discretionary Non-Domestic Rate Relief

BACKGROUND PAPERS: None