

**Executive member:** Mike Starkie, Mayor (Portfolio Holder for Finance).  
**Lead Officer:** Steven Brown, Director of Financial Resources.  
**Report Author:** Janet Sinnott, Revenues and Benefits Manager.

### **Why has this report come to the Overview and Scrutiny Committee?**

The Committee has requested an update regarding the Discretionary Business Rates Relief Policy detailed on the Forward Plan. The refreshed policy is due to go to The Executive on 14 October 2021 and Full Council on 7 December 2021 for approval.

### **SUMMARY**

This report provides Overview and Scrutiny with the proposed updated Discretionary Business Rates Policy, included as Appendix A, for consideration and comment.

**RECOMMENDATION: To note and provide comments regarding the proposed Discretionary Business Rates Relief Policy**

## **1. INTRODUCTION**

- 1.1. In accordance with the Local Government Finance Act (LGFA) 1988, Councils are expected to maintain a Discretionary Rate Relief scheme to support certain organisations with relief from business rates.
- 1.2. Sections 44a, 47 and 49 of the LGFA allows councils to grant discretionary business rates relief. Section 47 was amended by the Localism Act 2011 s69 from 1 April 2012 to allow wider granting of local discretionary relief.

## **2. DETAIL**

2.1 A number of reliefs from Business Rates are awarded without the need for discretion, these are classed as mandatory reliefs. Examples of such reliefs are:

- Small Business Rate Relief
- Mandatory Charity Relief
- Mandatory Rural Relief
- Relief for publicly owned toilets

2.2. Where central government leads an initiative following Budget announcements, the government has determined that Councils can use discretionary powers under section 47 of the Local Government Finance Act 1988 to provide reliefs to support national initiatives. Such reliefs are reimbursed in full via a section 31 grant: Examples of such initiatives are:

- Revaluation Relief
- Supporting Small Business Relief
- Newspaper Relief
- Expanded Retail Discount
- Nursery Discount

2.3. For all other awards made under section 44a, 47 & 49 of the Local Government Finance Act 1988, there is a cost borne by the Council Tax payers for the borough. The cost is funded as follows:

- 50% funded by Central Government
- 40% funded by Copeland Borough Council
- 10% funded by Cumbria County Council

2.4. Examples of reliefs where there is a cost borne by the Council Tax payers for the borough:

- Discretionary Rate Relief “Top-up” for Charities, Community Amateur Sports Clubs (CASCs)
- Discretionary Rate Relief for non-profit making organisations
- Rural Discretionary Relief
- Part occupation relief awarded under s44a LGFA 1988
- Hardship Relief awarded under s49 LGFA 1988
- Discretionary Relief – local decision

- 2.5. Due to the wider impact of discretionary decisions, the policy outlines how the council will operate within the above legislation, and references the administration of reliefs, including the application process, responsibilities for decision making, and the process for appealing any decision.
- 2.6. Copeland Borough Councils scheme supports the Corporate Strategy for 2020-2024 by ensuring revenue spent under local decisions will be repaid in economic and community benefit.

### **3. CONCLUSION**

- 3.1. The Council has taken the opportunity to review its Discretionary Rate Relief scheme to ensure government policy, and to ensure our commitment in recognising the voluntary, community and other sectors are supported in their contribution towards the economy, health and well-being of Copeland residents.
- 3.2. The Committee is asked to note the contents of the policy.

### **List of Appendices**

Appendix A: Discretionary Business Rates Relief Policy

### **Background Information:**

As Appendices and further information and guidance can be found in the following links:

[Local Government Finance Act 1988 \(legislation.gov.uk\)](https://www.legislation.gov.uk/ukpga/1988/42)

[Business rates: expanded retail discount - guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/business-rates-expanded-retail-discount)

<https://www.gov.uk/government/publications/business-rates-expanded-retail-discount-2021-to-2022-local-authority-guidance>

[LGF Bill Factsheet - Public Toilets.pdf \(publishing.service.gov.uk\)](#)

[4/2021: legislation and 2021/22 business rates reliefs - GOV.UK \(www.gov.uk\)](#)