

TEIGNBRIDGE DISTRICT COUNCIL

PORTFOLIO HOLDER(S) DECISION No. 4 - 2019

LEADER: Cllr Jeremy Christophers

PORTFOLIO HOLDER: Cllr Stuart Barker

PART A (Completed by the Originating Officer)

SUBJECT: Discretionary Rate Relief

DATE: 06.03.19

REQUEST OF: Tracey Hooper (Revenue, Benefits and Fraud Manager) and Martin Flitcroft (Chief Finance Officer)

REQUEST TO: Cllr Stuart Barker (Portfolio Holder for Corporate Resources)

PART I

PROGRESS BOX

Stage number	Stage description	Progress - requesting officer to mark with completed or current if "live" stage	Date
1	First draft	completed	28.02.19
2	BL/BM consultation	completed	28.02.19
3	Discussion with PH	completed	08.03.19
4	Initial local members / Chair O&S comments	completed	08.03.19
5	MO/151 consulted	completed	07.03.19
6	Check – any objections from stages 4 & 5		
7	PH approved for consultation?	completed	08.03.19
		Democratic Services to complete subsequent stages	
8	All Councillors consulted	In progress	11.03.19
9	Call in completed	Noon 18.03.19	
10	Originating Officer advised		

1. PROPOSED DECISION

The consent of Councillor Barker is sought to an amendment to the Council's policy for delivering the Government funded Discretionary Rate Relief Scheme.

The proposed amendment extends the formula-based allocation, used in years one and two of the scheme, into year three of the scheme.

TEIGNBRIDGE DISTRICT COUNCIL

I do not consider this a key decision and suggest you consult the Chair of Overview and Scrutiny, Councillor Haines and Vice-Chair, Councillor Rosalind Prowse.

2. BACKGROUND

To help businesses affected by the 2017 revaluation, Central Government introduced a £300m discretionary rate relief fund in 2017 under which Local Authorities were required to formulate their own scheme for making awards.

In Devon, officers from the Devon Revenue and Benefits Officers' group (DRBOG) and Devon Chief Finance Officers worked together to develop a framework for delivering support which could be adapted to suit local issues and funding.

Funding

Teignbridge was awarded the following amounts to deliver the discretionary relief scheme:

Year 1 (2017-18)	£294,000
Year 2 (2018-19)	£143,000
Year 3 (2019-20)	£59,000
Year 4 (2020-21)	£8,000

The Government stipulated that underspends could not be carried forward into subsequent years.

Eligibility

In assessing any potential entitlement to an award under this scheme, the Council compares the rate liability of the rate payer at 31.03.17 (prior to revaluation) and the rate liability as at 1 April 2017 (after revaluation). Relief may be awarded on part or all of the increase.

Allocation methods

In view of the administrative burden involved in administering the scheme Teignbridge adopted a largely formula-based approach for years one and two, reverting to a case by case only approach in years three and four to reflect the significant reduction in funding.

To mitigate against the risk of overspend a cap of £3,000 and a de minimis of £100 were agreed.

TEIGNBRIDGE DISTRICT COUNCIL

Formula-based approach

In order to focus support in the local area and ensure that support is delivered to those businesses most affected by the revaluation Chief Finance Officers and officers from the DRB Group proposed that relief should be awarded to businesses which:

- are wholly or predominantly based in Devon; and
- are facing an increase in rates payable of more than 2%; and
- have a rateable value below £200K; and
- are in occupation of the premises in question; and
- were in occupation on 31.03.17 and 01.04.17; and
- are not receiving mandatory relief; and
- are not wholly or mainly used for providing:
 - financial services e.g. banks, building societies, cash points, bureau de change, payday lenders, betting shops pawn brokers etc
 - medical services e.g. hospitals, doctors, dentists etc
 - professional services e.g. accountants, estate agents, tax advisers, insurance agents etc.
- are not public bodies or political organisations
- are not educational establishments

Case by Case approach

For case by case allocation the general factors set out in the Council's Discretionary Relief Policy are considered when determining whether to award relief.

Years One and Two

Teignbridge successfully awarded its full allocation using the formula-based approach in year one and is on track to do the same in year two. This has not been without difficulty as the contingency fund available for case by case allocation remained largely unspent, with only one application received to date. In order to spend the remaining allocation it became necessary to remove both the cap and the de minimis restriction.

Year Three – proposed approach

The £59,000 fund allocation available for year three of the scheme is a significant reduction from years one and two and because of this we made provision within the scheme for case by case allocation only in this year.

However, it has become clear that relying on businesses to apply for relief is unlikely to be successful. Instead it is proposed to extend the formula-based approach into year three. This will allow for support to be awarded on an

TEIGNBRIDGE DISTRICT COUNCIL

automated basis without the business needing to submit a business case for consideration.

In line with the reduction in funding, the amount of the award will be 40% of the year two award. The total amount awarded will be in the region of £57,000 leaving a small contingency.

3. MAIN IMPLICATIONS

The implications that Members need to be aware of are as follows:

Any underspend in any one year must be returned to Central Government

As in Years one and two, the award of discretionary relief under the new discretionary relief scheme cannot be budget-led and therefore if an organisation meets the qualifying criteria but an award would exceed the funding available the award must still be made and the cost will fall to the taxpayer. Historical data suggests this is very low risk but we cannot eliminate the risk completely.

5. TIME-SCALE

Awards will be added to qualifying accounts ready for the 2019-20 billing cycle.

6. JUSTIFICATION

To ensure that qualifying ratepayers receive a reasonable level of support and do not miss out by failing to apply under the case by case allocation regime. This approach will help ensure Teignbridge spends its full funding allocation, ensuring maximum support for local businesses.

Tracey Hooper - Revenue, Benefit and Fraud Manager
Martin Flitcroft – Chief Finance Officer

Wards affected	All
Contact for more information	Tracey Hooper Tel: 01626 215266 Email: tracey.hooper@teignbridge.gov.uk
Background Papers (For Part I reports only)	Discretionary Rate Relief Policy Original PH Decision Notice No, 22 - 17
Key Decision	No
In Forward Plan	No
In O&S Work Programme	No

TEIGNBRIDGE DISTRICT COUNCIL

PART B (COMPLETED BY DEMOCRATIC SERVICES)

Decision No. 4-2019

Date of Implementation Noon 18 March 2019 subject to call in

PART C (Completed by the Portfolio Holder)

DECISION: I confirm decision as set out in paragraph 1 above

REASONS FOR DECISION: I agree the justification set out in paragraph 6 above.

I have no conflict of interest in making this decision having considered the provisions of the Teignbridge Code of Conduct.

Signed...*Stuart Barker* Dated: ...08.03.19...