

TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

20 March 2018

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Information

1 BUSINESS RATES – DISCRETIONARY FUND RELIEF SCHEME POLICY

A report to inform Members of changes made to the Discretionary Fund Relief Scheme Policy.

1.1 Discretionary Fund Relief Scheme Policy

- 1.1.1 The Finance, Innovation and Property Advisory Board were advised on the 20 September 2017 that a policy had been created to administer the new Discretionary Fund Relief Scheme (https://www.tmbc.gov.uk/_data/assets/pdf_file/0012/389766/Tonbridge-Discretionary-Business-Rates-Scheme-Policy-2017-v1.3.pdf)
- 1.1.2 The criteria had been set to maximise the amount of relief that had been made available by Government. Application forms were sent to the organisations identified by officers as meeting the necessary criteria.
- 1.1.3 As the take up of the relief was low, with many application forms not returned, the Minister for Housing, Communities and Local Government encouraged local authorities to consider amending their policies as any unallocated relief would have to be repaid to Government at the end of the financial year.
- 1.1.4 To ensure the amount of relief awarded was maximised, officers were instructed to automatically award relief to those businesses that had been identified as eligible. Letters were sent instructing businesses to notify the Council if they were not entitled to relief, for example, if the award would breach State Aid rules.
- 1.1.5 In addition, the calculation was amended, removing the £250 cap on increases. This resulted in an additional £70,000 being awarded, increasing the total award to approximately £300,000 out of the £338,000 allocation.
- 1.1.6 To reflect this change to the administration of the scheme, the policy has been amended as follows.

- 1.1.7 In respect of paras 5.2, 5.3, 5.4, 5.11 and 8.3; Reliefs will now be automatically awarded to eligible businesses for all financial years of the scheme based on the criteria at para 8.4.
- 1.1.8 In respect of paras 5.9 and 5.10; Relief can only be awarded in the financial year to which it relates as any unused allocation must be repaid to Government.
- 1.1.9 In respect of para 8.6; Relief will be awarded where the calculation in 8.4d would result in an increase of more than 2%.

1.2 Legal Implications

- 1.2.1 None.

1.3 Financial and Value for Money Considerations

- 1.3.1 The percentage of council tax and business rates collected during the year impacts on the Council's finances and, consequently, on the level of council tax for future years.

1.4 Risk Assessment

- 1.4.1 None.

Background papers:

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Nil

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