

**TONBRIDGE & MALLING BOROUGH COUNCIL**

**FINANCE, REGENERATION AND PROPERTY SCRUTINY SELECT COMMITTEE**

**14 March 2023**

**Report of the Director of Finance & Transformation**

**Part 1- Public**

**Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)**

**1 REVENUES LOCAL SCHEME DECISIONS**

**A report giving details of two new discretionary rate relief schemes and a new council tax support scheme for 2023/24.**

**1.1 Background**

1.1.1 At the Autumn Statement on 17 November 2022, the Chancellor announced the introduction of new business rate relief schemes to support businesses and to help them to evolve and adapt to changing consumer demands.

1.1.2 The 2023/24 Retail, Hospitality and Leisure Business Rates Relief (RHL) scheme is a temporary measure for the 2023/24 financial year only and the 2023 Supporting Small Business Relief (SSB) scheme will assist ratepayers for the years 2023/24 to 2025/26 (i.e. the period of the rating list).

1.1.3 Government also announced on 23 December 2022 a new Council Tax Support Fund to assist the most vulnerable council tax payers who are suffering hardship due to the cost of living crisis.

**1.2 Business Rate Reliefs**

1.2.1 We are required to adopt a local scheme and determine in each individual case when, having regard to Government guidance, to grant relief under section 47 Local Government Finance Act 1988.

1.2.2 The new RHL scheme will reduce eligible ratepayer's bills by 75% for chargeable days from 1 April 2023 to 31 March 2024, subject to a 'cash cap' of £110,000 per business as per the policy document at **ANNEX 1**.

1.2.3 The new SSB scheme will help ratepayers who, as a result of the change in the property's rateable value at the revaluation, are losing other rate reliefs and therefore facing large increases in their bills.

1.2.4 Increases in the bills of these ratepayers will be limited to a cash value of £600 per year as per the policy document at **ANNEX 2**.

1.2.5 **The government expects billing authorities to apply and grant relief to qualifying ratepayers from the start of the 2023/24 billing year.**

1.2.6 Due to the timing of this meeting, and the requirements to send annual bills in a timely manner, I am advising Members that the reliefs have been awarded in accordance with the Government's expectations.

### **1.3 Council Tax Support Fund**

1.3.1 Government has provided additional funds to meet the immediate needs of all taxpayers who are currently claiming Council Tax Reduction (CTR).

1.3.2 The fund will allow a further reduction in their annual council tax bill of up to £25 in accordance with the Council's discretionary powers. There is no requirement for an application to be made as amounts will be automatically granted.

1.3.3 The policy document is shown at **ANNEX 3**. The policy sets out the Council's intention for the use of the whole fund.

1.3.4 As mentioned at 1.2.6, these reductions have already been applied due to **Government's expectations for billing authorities to apply them to the 2023-24 council tax bills.**

### **1.4 Legal Implications**

1.4.1 The matters set out in this briefing note are considered routine or uncontroversial and a legal opinion has not been sought.

1.4.2 As the granting of these new rate reliefs and council tax support is a discretionary action, the only implication would be a challenge by way of judicial review if an organisation or individual were unhappy with a decision. Such a challenge can succeed only when the Council behaves unreasonably.

### **1.5 Financial and Value for Money Considerations**

1.5.1 In respect of RHL relief, Government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003).

1.5.2 In respect of SSB relief, Government will reimburse billing authorities and major precepting authorities for the actual cost to them under the rates retention scheme.

1.5.3 In respect of the Council Tax Support Fund, the Council has been allocated £171,938 to compensate for the amounts awarded using our discretionary powers.

- 1.5.4 Government expects the Council to use all of the funds provided. Should this allocation be exhausted, further reductions in liability will cease; however, where this occurs, any taxpayer may apply for a reduction under the Council's existing policy with each case being considered on its merits.

## 1.6 Risk Assessment

- 1.6.1 The only risk that I am aware of is a legal challenge to the Council's decisions (see above). This is unlikely.

## 1.7 Policy Considerations

- 1.7.1 Community

## 1.8 Equality Impact Assessment

- 1.8.1 No impact on other businesses.

## 1.9 Recommendations

- 1.9.1 Members are requested to **RECOMMEND** that Cabinet:
- 1.9.2 Retrospectively adopt a scheme for the 2023/24 Retail, Hospitality and Leisure Business Rates Relief (**Annex 1**).
- 1.9.3 Retrospectively adopt a scheme for the 2023 Supporting Small Business Relief (**Annex 2**).
- 1.9.4 Retrospectively adopt a policy for the 2023/24 Council Tax Support Fund (**Annex3**).
- 1.9.5 Give delegated authority to the Revenues Manager to award, revise or revoke business rates reliefs in accordance with the adopted schemes subject to any disputed entitlement to relief being referred to the Director of Finance & Transformation.
- 1.9.6 Give delegated authority to the Director of Finance & Transformation to make technical amendments to the Council Tax Support Fund as per para 10.1 of the policy shown at **Annex 3**.

The Director of Finance & Transformation confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and policy Framework.

Background papers:

contact: Glen Pritchard

Business Rates Relief Guidance: 2023/24 Retail,  
Hospitality and Leisure Business Rates Relief

Business Rates Relief Guidance: 2023 Supporting  
Small Business Relief

DLUHC guidance : Council Tax Support Fund

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