

Summary Delegated Powers Report

TITLE	Business Rates – Revaluation Support, a new discretionary rate relief scheme – post consultation
DATE OF DECISION	29 September 2017
DECISION TAKER	Cath Shaw, Deputy Chief Executive
SUMMARY OF DECISION	<p>On 27 June 2017, Policy and Resources Committee approved the recommendation that</p> <p>That the draft policy is agreed - subject to consultation and further emerging guidance from government.</p> <p>Agree that the Deputy Chief Executive be authorised to make further amendments and to implement the policy in conjunction with the chairman of the committee.</p> <p>This report sets out the consultation responses, and the amendments to the scheme as a result of the consultation which have been made in conjunction with the chairman of the Policy and Resources Committee.</p> <p>1. Consultation</p> <p>Consultation opened on 30 June 2017, with a launch on engage.barnet.gov.uk, a letter to the GLA, and Andrew Dismore AM. A letter was sent to all business ratepayers on 18 August 2017. Consultation closed on 11 September 2017.</p> <p>2. Responses to consultation</p> <p>2.1. The GLA responded on 29 July 2017, with the following comments:</p> <ul style="list-style-type: none"> • The GLA will not generally object to individual billing authority relief schemes where they appear reasonable and target support to those ratepayers facing the greatest hardship as a result of the impact of the 2017 revaluation. • It welcomes that we are intending to provide targeted support to ratepayers with valuations exceeding £100,000. • In regard to the exclusions, the GLA supports local decisions based on local economic development, public health, planning and environmental policies.

It considers that the Council should consider awarding relief to small and medium sized properties where they are engaged in professional, financial advice and employment related services which offer a direct benefit to the local community.

- It holds no objection to our exclusion criteria, but requests consideration of awarding relief to newly empty properties for a period of a month, and to be as flexible as possible to those in arrears.
- The GLA supports that a limit on the number of premises should be part of the exclusions, but considered that the limit should be between three and five hereditaments.
- It is pointed out that there is a risk that small and medium sized businesses will face cliff edges as the discretionary relief and transitional relief is withdrawn. The GLA encourages the Council to make ratepayers aware that the level of support will decline over the four year period.

2.2. Association of Licenced Multiple Retailers (ALMR) responded on 10 August 2017 with the following comments:

- It welcomes the proactive stance producing a scheme to allow businesses to access the funds as quickly as possible.
- ALMR is disappointed to note that the scheme would exclude pubs and restaurants from the scheme unless accredited with the Healthier Catering Commitment (HCC). It states it is unfair and that all pubs and restaurants should be treated equally. It is not opposed to the HCC, but point out that accreditation does not mean healthier alternatives are not available.
- ALMR is prepared to promote the HCC and have already contacted the CIEH.
- It feels that the restriction on two premises in London to be too prohibitive and that a business occupying five units would still be considered small in this sector.
- It questions whether the restriction to £150,000RV as an upper cap is appropriate given the other restrictions of the policy in place.

2.3. The federation of small business (FSB) wrote to the Leader in advance of the launch of the consultation. It asked that the Council include their five principles:

- Commit to focusing on micro and small businesses
- Commit to ensuring that the funds are distributed as soon as possible, and automatically refund overpayments

- Commit to a communications plan so that all affected firms know how they can benefit
- Commit to making the application process as simple as possible, without conditions except for size of firm, and how it is disadvantaged by the revaluation.
- Commit to passing a motion of the council, making clear it is the council's view that business rates present a significant hardship to small and micro businesses, and that the council is acting to alleviate hardship.

2.4. The public consultation generated the following comments:

- There were 77 responses submitted to the engage.barnet.gov.uk website.
- In addition, approx. 68 telephone calls were received. Callers were generally seeking further information and clarity on the scheme.
- Of the submitted responses,
 - 48 were positive, and clearly supported the policy to award relief.
 - Of the remaining 29 responses:
 - 14 comments related to the list of business types that are being supported, and whilst not on the exclusion list did not know how they would benefit – such as Sports clubs, pharmacies, dental, podiatry, education, healthcare, workshops for artisans;
 - 2 responses made reference to the HCC – stating that the council should not interfere with consumer choices – citing newsagents selling pornographic magazines, and service stations selling diesel;
 - 2 responses mention parking as a factor affecting the business
 - 7 comments were made which were statements relating to business rates generally (charities, liability, high cost, Brexit) and not subject to the consultation matter;
 - 1 said it was hard to see how businesses in large blocks would benefit; and
 - 3 asked about the application process

3. Modifications

In listening to the consultation responses, and from identifying trends from the data analysis the following amendments to the draft scheme are made:

	<ul style="list-style-type: none"> • That the list of included properties (paragraph 2) be removed, and only excluded categories are listed. <ul style="list-style-type: none"> ○ This would remove any ambiguity as raised by some respondents. ○ Furthermore modelling on an inclusive basis has indicated significant underspend of the award. ○ Paragraph 2 to make reference to all being included except those listed as an exception. • Exclusions in paragraph 3: remove the part sentence 'to visiting members of the public' as this could mean that, for example a pawn brokers office would be eligible. Most businesses in this category would be excluded because of the number of premises they occupy anyway. <ul style="list-style-type: none"> ○ That 'other services' and 'professional services' be entitled to claim the relief subject to the other limitations. These have been included in the forecast, and many are small local businesses, in need of local support. • Other conditions referred to in paragraph 3: <ul style="list-style-type: none"> ○ A restriction to the number of properties, from 3 or more to be changed to 4 or more. ○ Where there are arrears outstanding, that this be simplified to 'ratepayers who are in arrears and have not made an arrangement for payment with the council. • Minimum award. Modelling the awards has resulted in some ratepayers receiving less than £2 per annum. It is proposed that where the award is less than £50 that the award be rounded up to £50. This adds less than £3000 to the overall forecast award. • Clarification of how any underspend will be allocated to businesses in revaluation hardship is also included. • That the condition of meeting the Healthier Catering Commitment, remains in the policy, but that we request that the relevant establishments demonstrate that they are working towards the accreditation. <p>The revised scheme is attached to this report, at Appendix 1.</p>
<p>AUDIT TRAIL OF DECISION – RETAINED AND WHERE?</p>	<p>Audit trail of decision is retained with the Revenues and Benefits Manager, Finance Commissioning Team.</p>

DECISION TAKER'S STATEMENT

I have the required powers to make the decision documented in this report. I am responsible for the report's content and am satisfied that all relevant advice has been sought in the preparation of this report and that it is compliant with the decision making framework of the organisation which includes Constitution, Scheme of Delegation, Budget and Policy Framework and Legal issues including Equalities obligations.

I authorise the above decision

Signed _____

Designation Deputy Chief Executive

Date 29 September 2017