

**NORTH LINCOLNSHIRE COUNCIL**

**POLICY AND RESOURCES  
CABINET MEMBER**

**NATIONAL NON-DOMESTIC RATE RELIEF APPLICATIONS AND MONITORING**

**1. OBJECT AND KEY POINTS IN THIS REPORT**

- 1.1 To decide the level of National Non-Domestic Rate (NNDR) relief to be awarded to ratepayers in North Lincolnshire. New rate relief applications for the years 2014/15 have been received, and the recommended level of discretionary relief awarded is based on set criteria.
- 1.2 To inform the Cabinet Member of the latest forecast of the level of Business Rates Collection and its impact on council finances. In addition the report will present the current level of reliefs granted compared to the budget.
- 1.3 The collection rate of NNDR remains high, and is currently similar to that achieved at this point in 2013/14. Some large refunds have been made following successful appeals against the rateable value of several sites, however a provision is available within the collection fund to meet these costs.

**2. BACKGROUND INFORMATION**

- 2.1 The council can now retain a portion of the business rates it collects. The amount retained is made up of the baseline funding allocated to the council each year and a portion of any gain or loss in collection. If business rates increase the council will retain 37%. A safety net mechanism ensures that the council will, at worst retain 92.5% of its baseline funding if business rates fall but will be responsible for 49% of any loss in collection below the government's estimate until this safety net is reached.
- 2.2 The assumption built into the 2014/15 budget was that the council would collect £79.5m, after making a provision for past appeals. This figure is lower than previously estimated due to an increase in the estimated value of the provision for appeals and changes announced in the Autumn Statement. The Government has announced it will provide grant to offset the Autumn Statement changes. After this grant has been taken into account it is estimated that the council will retain £2.3m more than its baseline funding.

- 2.3 The collection rate to the end of September 2014 was 57.5%. In the previous year to the same point the collection rate was 58.0%. The slight reduction is due to more payers taking advantage of the 12 monthly payment options available.
- 2.4 Refunds totalling £2.3m have been made to date. Of this figure £1.4m relates to refunds made due to successful appeals against the rateable value of a number of sites. A provision is available within the collection fund to meet these costs.
- 2.5 The council now funds a proportion of both mandatory and discretionary reliefs. For the level of collection assumed in the budget the council will fund 37% of all reliefs.
- 2.6 This means that the level of NNDR reliefs has a much larger impact on the council's finances than before. The levels of all mandatory and discretionary reliefs will now be reported periodically to inform the cabinet member of the forecast impact on the budget.
- 2.7 The reliefs reported in future will include some that were previously not reported. These include Small Business Reliefs and Partial and Empty Property Reliefs.
- 2.8 Mandatory reliefs comprise around 98% of all reliefs by value. The forecast is that approximately £487k less reliefs will be granted. The forecast is therefore for an increase in the level of business rates retained by the council of almost £180k. The current forecast, excluding the proposals in this report, is that the level of discretionary relief will be slightly higher than originally estimated. The details are shown in Appendix A.
- 2.9 The Policy Committee agreed the legal position and administrative practices for dealing with rate relief on 22 January 1996. The latest amendment to the criteria was at the Policy and Resources Cabinet Member briefing on 25 May 2012.
- 2.10 The ratepayers in receipt of rate relief in 2013/14 have had their applications reviewed. New and existing applicants continue to return forms fully completed.

### **3. OPTIONS FOR CONSIDERATION**

- 3.1 The attached schedule, appendix B, shows 8 new applications for rate relief.
- 3.2 Option 1 – Award the recommended level of discretionary relief, shown on the attached schedule, appendix C. Also included is the cost to the Council and where applicable the previous level of relief for each applicant.
- 3.3 Option 2 – Consider a level of discretionary relief different to that recommended. All application forms will be available at this meeting

for inspection. This will enable the Cabinet Member to review in detail, if required, any suggestions set out in the schedule.

#### **4. ANALYSIS OF OPTIONS**

4.1 Approved criteria are used to score all applications for discretionary relief and to recommend the appropriate level of rate relief. To continue using these criteria will ensure fairness in awarding relief for new applicants. The cabinet member has the option to consider each case on its merits and change the level of relief from that recommended in this report.

#### **5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)**

##### **5.1 Financial**

If the decision is to award the recommended level of discretionary relief in each case, it is estimated the additional cost to the council will be £10,226.58.

#### **6. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)**

6.1 An Integrated Impact Assessment is not required. Applications are considered and encouraged from eligible organisations

#### **7. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED**

7.1 No consultation is required.

7.2 There are no conflict of interests to declare.

#### **8. RECOMMENDATIONS**

8.1 To award the level of rate relief to each applicant as set out in the attached schedule to this report.

8.2 To note the latest position for 2014/15 on business rate collection and reliefs.

**DIRECTOR OF POLICY AND RESOURCES**

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**Background Papers used in the preparation of this report**

Local Government Finance Act 1988

Application Forms

Cabinet Member Report 25 May 2012

Local Government and Rating Act 1997

## Appendix A

2014/15	Reliefs			Cost to NLC		
	Budgeted Level of Reliefs	Actual Level of Reliefs	Increase/Decrease(-)	Estimated Cost of Reliefs (Budget)	Estimated Cost of Reliefs (Current)	Increase/Decrease(-)
Small Business Relief	1,135,027	1,323,017	187,990	419,960	489,516	69,556
Charitable Relief	1,901,337	2,465,660	564,323	703,495	912,294	208,799
Community Amateur Sports Clubs	34,964	35,871	907	12,937	13,272	335
Rural premises	24,983	22,444	-2,539	9,244	8,304	-940
Partial Occupancy	400,000	69,976	-330,024	148,000	25,891	-122,109
Empty Property	2,706,148	1,798,131	-908,017	1,001,275	665,308	-335,967
<b>Total Mandatory</b>	<b>6,202,459</b>	<b>5,715,099</b>	<b>-487,360</b>	<b>2,294,911</b>	<b>2,114,585</b>	<b>-180,326</b>
Charity Top-up Relief	70,733	78,495	7,762	26,171	29,043	2,872
Charity Discretionary Relief	75,236	82,595	7,359	27,837	30,560	2,723
Hardship Relief	0	0	0	0	0	0
Community Amateur Sports Clubs	4,017	4,177	160	1,486	1,545	59
Rural premises	22,704	22,239	-465	8,400	8,228	-172
Other Rural premises	2,710	1,958	-752	1,003	724	-278
<b>Total Discretionary</b>	<b>178,568</b>	<b>189,464</b>	<b>10,896</b>	<b>64,898</b>	<b>70,102</b>	<b>5,204</b>
Grand Total	<b><u>6,381,027</u></b>	<b><u>5,904,563</u></b>	<b><u>-476,464</u></b>	<b><u>2,359,809</u></b>	<b><u>2,184,687</u></b>	<b><u>-175,122</u></b>

## Appendix B

App No.	Ratepayer	Property Address	Mandatory Charity 80% Rural 50%	R V £	PR N	Suggested Relief %	Amount borne by NLC £
<b><u>APPLICATIONS</u></b>							
<b>CHARITY/NON PROFIT</b>							
9/14	Westcliff Drop In Centre	Offices & Premises - 11a 11b & 12 Westcliff Precinct	Y	6,000	ND445001762	10	1,275.37
10/14	ReThink	Offices – 1st Floor 2 Parkinson Avenue	Y	1,850	ND445000760	5	371.39
11/14	Stroke Association	Offices & Premises - 80a Oswald Road Scunthorpe	Y	4,650	ND445001712	5	1,123.44
12/14	Youth Engineering Scunthorpe Ltd	Workshop & Premises 35 Hoylake Road Bottesford	N	42,250	ND073109040	35	3,157.61
13/14	Art In Unusual Spaces	Shop & Premises – 32 High Street Scunthorpe	N	11,000	ND445000683	75	1,643.19
15/14	Ancholme Valley Heritage Trust Ltd	Heritage Centre & Premises – 1st Floor The Angel Market Place, Brigg	Y	12,250	ND083109148	10	1,933.30

**RURAL**

4/14	Mr & Mrs T Taplin	Shop & Post Office 2 - 4 High Burgage, Winteringham,	Y	2600	ND390900020	50%	610.70
5/14	Mr & Mrs T Taplin	Post Office, West Halton	Y	500	ND370409090	45%	111.57
<b>TOTAL</b>							<b>10,226.58</b>