

## INDIVIDUAL EXECUTIVE DECISION MAKING MEETING

**EXECUTIVE MEMBER - THE MAYOR**

## RECORD OF DECISION

An Individual Executive Decision Making meeting was held on 1 May 2019.

**PRESENT:** Councillors Mr D Budd

**OFFICIALS:** B Carr, N Orton, J Savage and J Shiel

**DECLARATIONS OF INTERESTS**

None Declared

**18/3 RETAIL RATE RELIEF**

The Strategic Director of Finance, Governance and Support submitted a report, the purpose of which was to request that the Mayor approves the adoption of a scheme to grant relief under section 47 of the Local Government Finance Act 1988, as amended.

The scheme was designed to support local retail businesses with a rateable value of less than £51,000 and was based on the central government guidance dated November 2018 for the two year period with effect from 01 April 2019.

Individual local billing authorities were expected to adopt a local scheme and determine in each individual case when, having regard to guidance, to grant relief under section 47 of the Local Government Finance Act 1988, as amended.

The scheme was designed to support businesses (premises) that were being used for the sale of goods to visiting members of the public. To qualify for the relief the property (premises) should be wholly or mainly being used as a shop, restaurant, cafe or drinking establishment and included shops, charity shops, furnishing shops, pubs, garden centres etc (this list was not exhaustive and a full list was included in the guidance notes).

The value of discount was required to be one third of the bill, and must be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants had been applied.

Central government would reimburse billing authorities and major precepting authorities for the actual cost to them under the rates retention scheme of the relief that fell within the definitions in the guidance provided.

The onus was on the business to notify the Council if it exceeded the state aid limits.

**OPTIONS**

Other potential decisions and why those had not been recommended.

To do nothing would be seen as not supporting local business which was the intended purpose of the funding. This would also leave the Council open to criticism both by central government and businesses, given the express expectation that Councils would use the powers available and funding provided.

No specific factors had been identified to justify departing from the government guidance when determining in each individual case whether to grant relief. Should the Council choose to depart from this scheme any relief granted would fall to the Council to fund and was unlikely to be provided by central government, therefore the recommendation was to remain

with the prescribed scheme.

### **ORDERED**

That the adoption of a scheme based on the central government guidance dated November 2018 for the two year period, with effect from 01 April 2019 be approved.

### **REASONS**

The Council needed to adopt a scheme to allow Middlesbrough ratepayers to benefit from the policy action taken to help the high street evolve by temporarily reducing the cost of business rates. This not only supported local businesses by reducing the amount of business rates payable it also supported the Councils agenda in regards to improving and regenerating of the Centre (The Investment Prospectus and City Centre Strategy).

Ratepayers would need to be re-billed at the earliest possible date for the reduction in cost to be factored in to their business' accounts.

An initial assessment of Middlesbrough ratepayers suggested that at least 509 bills would be reduced through this scheme, though it was open for ratepayers to make the case for eligibility where the discount was not applied based on this assessment. There were 441 different ratepayers who would benefit to a total value of £1.6+ million from April 2019 for the first year.

The decision will come into force with immediate effect and is not subject to scrutiny call-in procedures.