

This Report will be made public on 7 December 2021

Report Number **C/21/58**

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**To:** Cabinet  
**Date:** 15 December 2021  
**Status:** Non-Key Decision  
**Head of Service:** Charlotte Spendley – Director of Corporate Services  
**Cabinet Member:** Councillor David Monk - Cabinet Member for Finance

**SUBJECT: DISCRETIONARY RATE RELIEF POLICY REVIEW**

**SUMMARY:** This report is seeking approval from Cabinet to bring the DRR policy up to date and insert information on Section 44a partially occupied relief.

**REASONS FOR RECOMMENDATIONS:**

Cabinet is asked to agree the recommendations set out below because the policy needs to be brought up to date.

**RECOMMENDATIONS:**

Cabinet is asked to approve the following recommendations:

- 1) To receive and note report C/21/58.
- 2) To agree the revised Discretionary Rate Relief Policy.

## **1. INTRODUCTION AND BACKGROUND**

1.1 The Discretionary Rate Relief policy was last reviewed December 2016 and has only had housekeeping changes made to it since then.

1.2 It is appropriate to have a policy in place to ensure we have consistency.

1.3 Discretionary Rate Relief can be paid to charitable and not for profit organisations.

1.4 A summary of other reliefs mentioned in this policy follows:

- Mandatory relief – Awarded at 80% of the liability for all charities and community amateur sports clubs (CASCs).
- Discretionary rate relief – Awarded at ‘up to 20%’ top up for charities and CASCs and ‘up to 100%’ for not for profit organisations. 40% of the cost is borne by the Council.
- Section 44a Part occupied relief – Allows the Council to award relief on a portion of a premises for a temporary period. 40% of the cost is borne by the Council.
- Hardship relief – This relief can be applied for by any ratepayer suffering Hardship and eligibility is assessed whilst having regard to the interest of the taxpayers. 40% of the cost is borne by the Council.
- Rural rate relief mandatory – Previously 50% relief for certain businesses in a rural settlement area. This was doubled to 100% relief on 1 April 2017 and is reimbursed to Councils in the Section 31 grant.
- Rural rate relief discretionary – Up to 100% relief for other businesses in a rural settlement area that benefit the community. 40% of the cost is borne by the Council.
- Privately owned public convenience relief was a locally funded relief which has been superseded by The Non-Domestic Rating (Public Toilets) Act which will be reimbursed to Councils in the Section 31 grant.

## **2. CHANGES TO APPROVE**

2.1 In the main the insertions are a tidy up of out of date wording (for example Shepway to Folkestone & Hythe), changing Strategic Objectives to Service Ambitions in respect of how we assess an application and a little more detail in some sections due to this being misinterpreted at times.

2.2 Currently Section 44a partially occupied relief isn't included in a policy. It isn't awarded frequently but feedback suggests it would be beneficial to have our expectations and process recorded formally so this can be provided to ratepayers on request.

- 2.3 Privately owned public convenience relief is no longer required as it has been superseded by The Non-Domestic Rating (Public Toilets) Act. This Act received Royal Assent on 29 April and provides a 100% business rates relief for separately-assessed public toilets in England and Wales, including those being operated by local authorities. This mandatory relief applies retrospectively from 1 April 2020.
- 2.4 Sections have been added to highlight the requirement to pay as billed whilst applications are being processed and Fraud. There can be a time frame of up to 3 months from an application being received to relief being awarded. There are no guarantees the full 20% top up will be awarded for DRR or full amount due for Hardship, although ultimately this is the Portfolio holders decision and therefore ratepayers are encouraged to continue to pay amounts falling due until such time the bill is recalculated so as not to fall in to arrears and potentially incur costs. In respect of fraud the policy is making ratepayers aware false representation can result in prosecution.

### 3. RISK MANAGEMENT ISSUES

- 3.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
The Covid pandemic results in more requests for Hardship relief	Medium	Medium	All applications will be assessed within the policy criteria and the portfolio holders decision will be made in line with the policy.
Charities and businesses in general not aware of the reliefs available	Medium	Low	Ensure staff are trained accordingly and the website is up to date.

### 4. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

#### 4.1 Legal Officer's Comments (NM)

The proposed amendments to the DRR policy would be administered in accordance with s47 of the Local Government Finance Act 1988. This provides the statutory basis upon which local authorities may provide discretionary relief to business rates payers

#### 4.2 Finance Officer's Comments (CI)

An allowance for Discretionary Rate Relief is made through the Collection Fund Account on an annual basis. Annually a provision is made which is included within the Council's overall budget for business rates income in the

General Fund and any variances to this will be reported via in-year budget monitoring.

**4.3 Diversities and Equalities Implications (GE)**

There are no equality and diversity implications directly arising from this report.

**4.4 Climate Change Implications (OF)**

There are no Climate Change Implications arising directly from this report.

**5. CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

Councilors with any questions arising out of this report should contact the following officer prior to the meeting

*Jo Robinson, Business Rates and Corporate Debt Senior Specialist*  
*Telephone: 01303 853350 Email: [jo.robinson@folkestone-hythe.gov.uk](mailto:jo.robinson@folkestone-hythe.gov.uk)*

The following background documents have been relied upon in the preparation of this report:

Discretionary rates relief policy