

Policy and Resources Committee Meeting	
Meeting Date	5 February 2025
Report Title	Discretionary Rate Relief Policy
EMT Lead	Lisa Fillery, Director of Resources
Head of Service	Zoe Kent, Head of Revenues and Benefits
Lead Officer	Zoe Kent, Head of Revenues and Benefits
Classification	Open
Recommendations	<ol style="list-style-type: none"> 1. To note the outcome of the discretionary rate relief policy consultation. 2. To adopt the Discretionary Rate Relief policy

1 Purpose of Report and Executive Summary

- 1.1 The Local Government and Finance Act 1988 (LGFA 1988) and subsequent legislation requires Local Authorities to grant discretionary relief to premises occupied by charities or, to organisations that are non-profit making, that own or occupy a premise wholly or mainly for charitable purposes. Certain premises situated within a rural settlement area are also eligible for relief.
- 1.2 Powers have been granted under the Localism Act 2011, which allows for the granting of discretionary relief to any premises where the Council feels that the granting of such relief would be of benefit to the local community. Certain criteria must be satisfied before a rate payer can be considered for relief, which is made up of two parts, a mandatory and a discretionary scheme.
- 1.3 The Discretionary Rate Review policy has been reviewed and updated to ensure it meets the needs of the borough. A consultation was carried out for a period of 6 weeks. This report reviews the responses to the consultation and makes recommendations of changes to the draft policy.
- 1.4 The review was carried out to ensure that the policy supports the types of non-profit making organisations that add value to the local area and local residents. It is not seeking to change the levels of relief that are awarded.

2 Background

- 2.1 Under Section 47 of the LGFA 1998 rating authorities are given the discretion to award relief to businesses in the following circumstances:
 - Registered charities and community and amateur sports clubs (CASCs) are entitled to mandatory relief of 80%, the Council has the discretion to award a further discretionary relief up to 20%;

- The Council has the discretion to award discretionary relief to rural properties who are not entitled to mandatory rural rate relief, providing the relevant criteria are met.
 - The Council has the discretion to award relief up to 100% to organisations which are established as not for profit and meet the relevant criteria. The amount of discretionary relief awarded is entirely at the discretion of the Council.
- 2.2 Under the powers of the Localism Act 2011, the Council before deciding locally to award relief must decide if it would be reasonable to do so having regard to the interest of Council Tax payers in its area. Guidance issued by the Secretary of State must be followed when granting this relief. In 2017 as a result of the business rates revaluation exercise, more reliefs were introduced by the government. This has included the Supporting Small Businesses Scheme, Local Newspaper Relief, and Retail, Hospitality and Leisure Relief which are awarded following government legislation and the local discretionary relief scheme which is a local scheme.
- 2.3 The cost of Discretionary Rate Relief reduces the amount of Non-Domestic Rates collected from businesses. This subsidy will be funded from the Council's revenue budget (reflected in the Business Rate Income budget), so it must be considered as to whether this is a service that will provide best value for the residents. The cost of the scheme is shown in table one.

Table 1

Year	Total	Central Government	Swale Borough Council	Kent County Council	Kent Fire Authority
	100%	50%	40%	9%	1%
2020/21	£371,482	£185,741	£148,593	£33,433	£3,715
2021/22	£383,310	£191,655	£153,324	£34,498	£3,833
2022/23	£417,815	£208,907	£167,260	£37,603	£4,178
2023/24	£402,151	£201,075	£160,860	£36,194	£4,022

- 2.4 In summer 2024 the current Discretionary Rate Relief policy was reviewed. A consultation was carried out for six weeks ending on 30 October 2024. The consultation was open to businesses, residents, and those organisations currently in receipt of Discretionary Rate Relief.
- 2.5 Those completing the consultation were asked for their views on the proposed policy. 20 people/organisations completed the consultation which asked for comments on the revised policy.

- 2.6 The comments can be found at appendix II. Most responders expressed that receiving Discretionary Rate Relief helped them to provide facilities and services for the borough.
- 2.7 The following changes were made to the policy before the consultation.

Table 2

Paragraph	Changes
2.5.4	Paragraph changed to include examples of factors the council will take into account when assessing applications and a table listing criteria that will be used to assess applications
2.5.8	Changed from 15 days to 1 month
2.5.11	Added in - There are grounds to believe the application or supporting information was not interpreted correctly at the time the decision was made.
2.6	Wording changed to relief will be awarded for 3 years rather than 12 months (unless circumstances change).
2.8.1	Job title changed from Revenues and Benefits Manager to Head of Revenues and Benefits
3.1.3	Section 44a Relief for partially occupied properties. Added in - For the purposes of this policy, a period of 6 months will be considered temporary. Periods of time exceeding 6 months will be treated as a permanent change and will not be eligible for partly occupied relief.
4.5.7	Changed from 15 days to 1 month
6.4.2	Changed from 15 days to 1 month

3 Proposals

- 3.1 It is proposed that the draft Discretionary Rate Relief policy is adopted. The policy has been updated to ensure it covers the ever increasing third sector organisations that are supporting our local community. It is imperative that this sector is encouraged to provide services within the area. Many do not have the funds to cover the cost of business rates.
- 3.2 There were not any proposed changes put forward to the draft policy, so it is proposed that the draft should be adopted with no changes made to it.

4 Alternative Options Considered and Rejected

- 4.1 An alternative option would be to not have a Discretionary Rate Relief policy. This option is not recommended because it could lead to an unfairness in awarding discretionary relief and the cost of the scheme could increase significantly.

- 4.2 The Council could continue to follow the previous policy, it is however good practice to review policies on a regular basis and to seek the views of those affected.

5 Consultation Undertaken or Proposed

- 5.1 A consultation has been carried out and 20 responses were received mainly from organisations who currently receive Discretionary Rate Relief. The majority of the responders were happy with the policy and were pleased that it provides support to those organisations and groups providing voluntary services within the local area.

Issue	Implications
Corporate Plan	The objectives and priorities in the corporate plan.
Financial, Resource and Property	<p>The proposals set out in the recommendation are all within already approved budgetary headings and so need no new funding for implementation.</p> <p>However, the cost of Discretionary Rate Relief reduces the amount of Non-Domestic Rates collected from businesses. In considering the backdating of this relief, the effect on the Council Taxpayers and the budget should be considered.</p> <p>It is unlikely the cost will increase significantly however we are required to award to those businesses that claim and meet the criteria of the scheme.</p>
Legal, Statutory and Procurement	Accepting the recommendations will fulfil the Council's duties under Section 47 of the Local Government Finance Act 1998 and the Localism Act 2011, to award discretionary relief to charities and non-profit making businesses.
Crime and Disorder	Not applicable
Environment and Climate/Ecological Emergency	Not applicable
Health and Wellbeing	This policy should have a positive impact on the health of the borough, by supporting those organisations that provide services to residents.
Safeguarding of Children, Young People and Vulnerable Adults	Not applicable
Risk Management and Health and Safety	The cost of implementing this change is no higher than the current scheme. Any risks will be picked up as part of the overall business rate retention scheme.

Equality and Diversity	We recognise the recommendations may have varying impacts on different communities within Swale. Therefore, we have completed a separate equalities impact assessment, this can be found at appendix III.
Privacy and Data Protection	The recommendations will impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council processes. The Data Protection Officer will have reviewed the processing of personal data affected and the associated documentation will be updated accordingly.

7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- Appendix I: Draft Discretionary Rate Relief Policy
- Appendix II: Discretionary Rate Relief policy consultation responses
- Appendix III: Equality Impact Assessment