

**STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL**

**Cabinet**

**28<sup>th</sup> March 2023**

<b>TITLE:</b>	<b>Council Tax &amp; Business Rates Relief, Reductions &amp; Levy Policies</b>
<b>PORTFOLIO HOLDER:</b>	<b>Councillor Worthington - Portfolio Holder for Finance</b>
<b>CONTACT OFFICER:</b>	<b>Martin Owen – Executive Director (Finance and Customer Services) Joanne Wheeldon - Head of Revenues and Benefits</b>
<b>WARDS INVOLVED:</b>	<b>Non Specific</b>

**Appendices Attached**

**Appendix A – Business Rates Relief Policy**

**Appendix B – Council Tax Reductions and Levies Policy**

**1. Reason for the Report**

1.1 The purpose of the report is to review and update the Business Rate Reliefs Policy and the Council Tax Discounts, Exemptions and Levies Policy.

**2. Recommendation**

2.1 That Cabinet approve the updated:

- Business Rates Reliefs Policy
- Council Tax Discounts, Exemptions and Levies Policy

**3. Executive Summary**

3.1 Business rates (or non-domestic rates) are collected from businesses who occupy property in order to contribute towards the cost of local services provided. Each non-domestic property has a rateable value which is set by the Valuation Office Agency (VOA) - this broadly represents the yearly rent the property could have been let for on the open market on a particular date. The annual business rates payable is then calculated by multiplying the Rateable Value by the 'business rate multiplier' set annually by Government.

Domestic properties are placed in one of eight bands by the Valuation Office Agency according to its value on the open market on the 1<sup>st</sup> April 1991, with each band charged a different amount of Council Tax.

- 3.2 Under the Local Government Finance Act 1988 for Business Rates, and the Local Government Act 1992 for Council Tax, there are a number of reliefs, exemptions and discounts (both mandatory and discretionary) made available which then reduce the amount payable for domestic/non-domestic properties if eligible. Details of discretionary reliefs where the Council has the choice of whether to apply are detailed within the report along with the cost implications.
- 3.3 The Council's Business Rates Relief Policy has been updated to remove any reliefs that are no longer relevant and to also reflect the changes Government has implemented from 1<sup>st</sup> April 2023.
- 3.4 The Council's Council Tax discounts, exemptions, reliefs and levies policy has also been updated to reflect any changes since the approval of the last policy.

#### **4. How this report links to Corporate Priorities**

- 4.1 The application of business rates relief supports the aim of the Council to promote business growth and economic regeneration in the District and wider economic area. The application of Council Tax discounts and reliefs ensures those individuals within the District who are eligible for financial support are provided with that support. The long term empty property levy aims to bring properties back into use in line with the Council's Empty Property Strategy.

#### **5. Options and Analysis**

- 5.1 No options in regard to mandatory reliefs and discounts available as set by Government. However, Government allows Authorities to make discretionary decisions in respect of the amount of Business Rates and Council Tax due.

#### **6. Implications**

- 6.1 Community Safety - (Crime and Disorder Act 1998)  
None
- 6.2 Workforce  
None
- 6.3 Equality and Diversity/Equality Impact Assessment  
The report has been prepared in accordance with the Council's Diversity and Equality Policy
- 6.4 Financial Considerations  
None
- 6.5 Legal  
None.
- 6.6 Sustainability  
None

6.7 Internal and External Consultation  
Not applicable

6.8 Risk Assessment

The granting of discretionary relief and discounts will, in the main, involve a cost to the Council. Any Business Rate discretionary relief amount granted will be borne in accordance with the Business Rate Retention Scheme share.

**Martin Owen**  
**Executive Director & Chief Finance Officer**

**Background Papers**

**Location**

Moorlands House

**Contact details**

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## **7. Background & Introduction**

- 7.1 Business rates (or non-domestic rates) are collected from businesses who occupy property in order to contribute towards the cost of local services provided. Under the business rates retention arrangements introduced from 1st April 2013, authorities keep a proportion of the business rates paid locally. This provides a direct financial incentive for authorities to work with local businesses to create a favourable local environment for growth since authorities will benefit from growth in business rates revenues.
- 7.2 Other than properties that are exempt from business rates, each non-domestic property has a rateable value which is set by the Valuation Office Agency (VOA), an agency of Her Majesty's Revenue and Customs. They draw up and maintain a full list of all rateable values - this broadly represents the yearly rent the property could have been let for on the open market on a particular date.
- 7.3 The VOA uses a wide range of property information, rental and other evidence to compare values across similar types of properties in order to set the rateable value. A revaluation has recently been undertaken and comes into force on 1<sup>st</sup> April 2023.
- 7.4 The annual business rates payable is then calculated by multiplying the Rateable Value by one of two 'business rate multiplier' figures. The business rates multipliers are set annually by Government, there are two: the small business non-domestic rate multiplier for small business and the non-domestic rate multiplier for other businesses.
- 7.5 Council Tax bands are calculated using the value of a domestic property as it would have been at a certain point in time (the price the property would have sold for on open market on 1<sup>st</sup> April 1991). Based on this value, the property is placed into a Council tax band, with each band charged a different amount of Council Tax.
- 7.6 The VOA maintains the Council Tax Valuation List ensuring that properties are in the correct Council Tax band. They will review the bandings on properties, for example when a property has been made smaller or increased in size and are responsible for applying a band to newly built properties. They are also responsible for reviewing the banding where a challenge has been made.
- 7.7 In addition to the value on 1<sup>st</sup> April 1991, assessments are also based on a number of factors, such as a property's:
- Size
  - Layout
  - Character

- Location
- Change in use

7.8 Local Authorities are able to increase Council Tax on an annual basis as part of the budget setting process. However, there are Government restrictions in place to limit the annual increases – any increases over which are subject to a local referendum.

7.9 Under the Local Government Finance Act 1988 for Business Rates, and the Local Government Act 1992 for Council Tax, there are a number of reliefs, exemptions and discounts (both mandatory and discretionary) made available which then reduce the amount payable for domestic/non-domestic properties if eligible.

7.10 The granting of discretionary relief will, in the main, involve a cost to the Council. Further detail is provided in the next sections of this report.

**8. Appendix A** details the updated Business Rates Relief Policy.

8.1 The policy has been updated to remove any reliefs that are no longer relevant, for e.g. temporary reliefs and to add in any new reliefs, particularly those introduced alongside the implementation of the new revaluation list that comes into force on 1<sup>st</sup> April 2023.

**9. Appendix B** details the updated Council Tax Reductions and Levy Policy

9.1 The policy has been updated to add in new reliefs for e.g. Council Tax Support Fund 2023-24.