

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
HEAD OF REVENUES AND BENEFITS SHARED SERVICE	EXECUTIVE COMMITTEE	5 MARCH 2024	4
COUNCIL TAX AND BUSINESS RATES DISCRETIONARY DISCOUNT POLICY – 2024/25			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

RELEVANT LEAD MEMBER

This item is within the remit of Lead Member for Finance and Resources, Councillor Gaunt.

PURPOSE OF THE REPORT

Since the reform of Business Rates and Council Tax in 2013 (including the introduction of a degree of localisation of decision-making in respect of both Council Tax and Business Rates) national schemes of discounts and exemptions have been replaced by a range of national mandatory and local discretionary schemes.

In recent years central government has introduced further Business Rate reliefs to address particular circumstances or categories of business premises which are deemed to operate locally and must therefore be included within the approved policy for the award of such reliefs.

It is necessary, from time-to-time, to update the Council's policy of Discretionary Discounts to incorporate new reliefs, or amendments to schemes of existing reliefs, or to provide clarification where such would be helpful.

RECOVERABILITY

This decision is recoverable under section 7 of part 3 of the constitution.

RECOMMENDATION

The Committee is recommended to:

1. Approve and adopt the Council Tax and Business Rates Discretionary Discount Policy (2024/25).

REPORT

BACKGROUND

1. In respect of both Council Tax and Business Rates national schemes of discounts and exemptions have been in place since the introduction of those arrangements for local taxation. Fylde BC, in line with all local authorities, implemented the schemes of discounts and exemptions as directed by central government. Information of the available discounts and exemptions has always been made available to potential claimants and beneficiaries of such and for a number of years this information has also been promoted through the Council's website.

2. With the introduction of the local Council Tax Reduction Scheme (CTRS) in April 2013 it became necessary for the Council to consider the provision of discretionary hardship relief to provide support for claimants in exceptional circumstances, and who are unable to increase their income from other means. Such provision is a key element of the operation of the scheme.
3. Section 76 of the Local Government Act 2003 (as amended by section 13A of the Local Government Finance Act 2012) empowers a billing authority to reduce the amount of tax payable as it thinks fit. Funding for such reductions must be provided by the Council and major preceptors as necessary.
4. In order to mitigate part of the impact of the CTRS on the most vulnerable households, the Council at that time approved the award of discretionary Hardship Relief under the above powers. Strict criteria are used to determine if any additional relief is appropriate and the level of any such award. Awards are made to those unable to increase their income and then only in exceptional circumstances.
5. With regard to Non-domestic (i.e. business) rates the Council is required to apply the national (mandatory) schemes of relief, as determined by central government. The Council may also award additional (discretionary) business rate relief. This may be in relation to charitable organisations (following the application of 80% mandatory relief) or in respect of other organisations in exceptional circumstances. In recent years central government has introduced further reliefs to address particular circumstances or categories of business premises which are deemed to operate locally and must therefore be included within the approved policy for the award of such reliefs.
6. From time-to-time it is necessary to revise the Council Tax and Business Rates Discretionary Discount Policy in order to reflect changes in reliefs that are introduced by central government, and any changes in the application of the policy due to changes in local circumstances or to provide clarification.

CHANGES REFLECTED IN THE PROPOSED UPDATE OF THE POLICY

7. This update includes measures to support businesses announced in the autumn statement on 22 November 2023 and changes included in subsequent statutory instruments. These relate to the continuation of the retail, hospitality and leisure discount at 75% for the period 1st April 2024 to 31 March 2025, including a cap on how much relief businesses can receive over 3 financial years. This also includes the removal of discretionary rural rate relief to support small businesses within rural settlements – this has been removed as a discretionary discount as central government has now committed to meeting the full cost of this scheme as a mandatory relief. The final change relates to the removal of statutory backdating limits.
8. The proposed Discretionary Discount Policy for 2024/25 is attached at Appendix A.

CORPORATE PRIORITIES	
Economy – To create a vibrant and healthy economy	√
Environment – To deliver services customers expect	√
Efficiency – By spending money in the most efficient way	√
Tourism – To create a great place to live and visit	√

IMPLICATIONS	
Finance	The additional reliefs reflected in the updated policy are fully funded by central government, and as such there are no financial implications arising directly from this report.
Legal	Section 76 of the Local Government Act 2003 (as amended by section 13A of the Local Government Finance Act 2012) empowers a billing authority to reduce the amount of tax payable as it thinks fit.
Community Safety	No implications arising from this report
Human Rights and Equalities	No implications arising from this report

Sustainability and Environmental Impact	No implications arising from this report
Health & Safety and Risk Management	No implications arising from this report

SUMMARY OF PREVIOUS DECISIONS

Finance and Democracy Committee 29th March 2021 - Resolved to approve and adopt the Council Tax and Business Rates Discretionary Discount Policy (2021/22 update).

Finance and Democracy Committee 22nd November 2021 - Resolved to approve and adopt the Council Tax and Business Rates Discretionary Discount Policy (2021/22 and 2022/23 update).

Finance and Democracy Committee 30 January 2023 - Resolved to approve and adopt the Council Tax and Business Rates Discretionary Discount Policy (2023/24 update).

BACKGROUND PAPERS REVELANT TO THIS ITEM

Name of document	Date	Where available for inspection
N/a	N/a	N/a

LEAD AUTHOR	CONTACT DETAILS	DATE
Paul O'Donoghue Chief Financial Officer	www.fylde.gov.uk	February 2024

Attached documents

Appendix A - Council Tax and Business Rates Discretionary Discount Policy 2024/25