

NOTICE OF MEETING

Meeting: CABINET

Date and Time: WEDNESDAY, 1 NOVEMBER 2017, AT 10.00 AM*

Place: COUNCIL CHAMBER, APPLETREE COURT,
LYNDHURST

Telephone enquiries to: Lyndhurst (023) 8028 5000
023 8028 5588 - ask for Jan Debnam
Email: jan.debnam@nfdc.gov.uk

PUBLIC PARTICIPATION:

***Members of the public may speak in accordance with the Council's public participation scheme:**

- (a) immediately before the meeting starts, on items within the Cabinet's terms of reference which are not on the public agenda; and/or**
 - (b) on individual items on the public agenda, when the Chairman calls that item.**
- Speeches may not exceed three minutes. Anyone wishing to speak should contact the name and number shown above.**

Bob Jackson
Chief Executive

Appletree Court, Lyndhurst, Hampshire. SO43 7PA
www.newforest.gov.uk

This Agenda is also available on audio tape, in Braille, large print and digital format

AGENDA

Apologies

1. MINUTES

To confirm the minutes of the meeting held on 4 October 2017 as a correct record.

2. DECLARATIONS OF INTEREST

To note any declarations of interest made by members in connection with an agenda item. The nature of the interest must also be specified.

Members are asked to discuss any possible interests with Democratic Services prior to the meeting.

3. PUBLIC PARTICIPATION

To note any issues raised during the public participation period.

4. NATIONAL NON-DOMESTIC RATES LOCALLY ADMINISTERED DISCRETIONARY RATE RELIEF POLICY (Pages 1 - 14)

To agree the policy to be applied to the Discretionary Rate Relief Scheme.

5. FINANCIAL MONITORING REPORT - BASED ON PERFORMANCE TO SEPTEMBER 2017 (Pages 15 - 18)

To receive and update on the 2017/18 budget, adjusted for any budget changes required (on a portfolio and Committee basis), taking into account the financial performance of the Council between April and September 2017.

6. CRANBORNE CHASE AND WEST WILTSHIRE DOWNS AREA OF OUTSTANDING NATURAL BEAUTY PARTNERSHIP BOARD

To date, Cllr E J Heron has been this Council's representative on the Partnership Board, in his role as the Member for the Downlands and Forest Ward. The County Council has recently appointed him to the Board as their representative and it is therefore opportune to appoint a substitute to represent this Council.

RECOMMENDED:

That Cllr Mrs Matcham be appointed to serve as this Council's representative on the Cranborne Chase and West Wiltshire Downs Area of Outstanding Natural Beauty Partnership Board in place of Cllr E J Heron.

To:

Councillors

Mrs S V Beeton
J E Binns
Mrs J L Cleary

Councillors

E J Heron (Vice-Chairman)
J D Heron
B Rickman (Chairman)

CABINET – 1 NOVEMBER 2017

PORTFOLIO: FINANCE
AND EFFICIENCY

NATIONAL NON-DOMESTIC RATES LOCALLY ADMINISTERED DISCRETIONARY RATE RELIEF POLICY

1. INTRODUCTION

- 1.1 At the spring budget the Government announced three rate relief schemes to support business following the revaluation which took effect from April 2017. The Department for Communities and Local Government (DCLG) sent guidance on how the schemes should operate, this is attached as Appendix A. Cabinet has already approved two schemes, Support for Pubs and Support for Small Businesses.

2. BACKGROUND

- 2.1 The third rate relief introduced by the Government is a locally administered Discretionary Rate Relief scheme. DCLG have stated that it is for billing authorities to decide their own scheme. A Task and Finish Group met to consider the scheme and make recommendations to Cabinet.
- 2.2 The purpose of the scheme is to assist those businesses who have had an increase in their business rates bill following the April 2017 revaluation. The proposed scheme is attached as Appendix B to this report
- 2.3 The Government has provided funding, over a four year period, with £414,000 available in 2017/18. Any funding which is not spent cannot be carried over to the following year. To fully utilise the funding available, we have worked with our software suppliers to ensure we maximise the funding distribution and support as many businesses as possible. We have identified approximately 410 ratepayers who may be eligible, as per the criteria set out in the policy, and we will write to these businesses to invite an application.
- 2.4 The funding is subject to consultation with our precepting authorities and their response supports assisting those ratepayers affected by a revaluation increase. The summary of the responses from Hampshire County Council, Hampshire Fire and Rescue Authority, and the Police and Crime Commissioner are attached as Appendix C.

3. DELEGATIONS

- 3.1 It is proposed that the Council's locally administered Discretionary Rate Relief Policy is administered by the Revenues Manager and appeal decisions made by the Service Manager.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no financial implications in granting the relief as the scheme is fully funded by the Government.
- 4.2 There will be an impact on administration and the government has provided funding of £12,000. This funding is for the administration of all three schemes.

5. PORTFOLIO HOLDER COMMENTS

- 5.1 I support this policy and I am pleased that through Government funding we are able to assist as many businesses as possible who have had an increase in their business rates bills following the revaluation.

6. RECOMMENDATIONS

- 6.1 That the locally administered Discretionary Rate Relief policy, as attached as Appendix B to this report, is approved and adopted; and
- 6.2 That the Revenues Manager and Service Manager be given delegated authority to make decisions on the above policy.

For further information contact:

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Martin Cole
Revenues Manager
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Background Papers:

Business Rates Information Letter from
DCLG
Discretionary Rate Relief Policy
Consultation response



Department for
Communities and
Local Government

Chief Finance Officers of Local Authorities
in England

28 April 2017

Dear Colleague,

**DISCRETIONARY BUSINESS RATES RELIEF SCHEME – PAYMENT OF
SECTION 31 GRANT TO REIMBURSE COST OF PROVIDING RELIEF**

The Chancellor announced at the Budget on 8 March that the Government would establish a £300 million discretionary business rate relief fund so that local authorities could devise local schemes to assist businesses that are facing rising bills as a result of the revaluation.

We published a consultation on 9 March 2017 covering our proposed methodology for distribution of the available funding between local authorities and the arrangements for reimbursing local authorities. The consultation closed on 7 April 2017 and we subsequently stated that the allocations to local authorities would be as set out in the consultation. Details of the consultation can be found at: <https://www.gov.uk/government/consultations/discretionary-business-rates-relief-scheme>

The attached grant determination (No. 31/3071) provides the amounts to be paid to authorities in 2017/18. The payments will be made quarterly in arrears and reflect the portion of overall income that would be retained under the 50% business rate retention scheme, taking into account agreed 100% retention pilots. Following the consultation, we have considered whether flexibility should be provided to allow funding to be moved between financial years and will return to this point in quarter 2 once we have a clearer picture of how local schemes are being shaped.

The grant is subject to the condition that billing authorities consult their major precepting authorities and, where applicable, their combined authority before adopting any scheme. We have also included a condition that local authorities will be required to repay any excess grant paid to them following a reconciliation process at year end.

If you have any payment enquires please contact the Department by email at: ndr@communities.gsi.gov.uk.


Chris Megainey
Deputy Director, Local Taxation

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**NEW FOREST DISTRICT COUNCIL
NATIONAL NON-DOMESTIC RATES**

**LOCALLY ADMINISTERED
DISCRETIONARY RATE
RELIEF POLICY**

**NATIONAL NON-DOMESTIC RATES
LOCAL DISCRETIONARY RATE RELIEF POLICY**

Introduction

The purpose of this policy is to determine the level of discretionary rates relief to be granted to certain defined ratepayers within the New Forest district.

In March 2017, Central Government announced that it would make available a discretionary fund of £300 million over four years from 2017-18 to support those businesses that face the steepest increases in their business rates bills as a result of the general revaluation.

Central Government is keen that individual authorities develop their own scheme. They determined that Council's would be best placed to decide how this fund should be targeted and administered to support those businesses within their area that are in greatest need.

The funding is not provided equally over the four year period but in the following proportions-

Year 1 (2017-18)	58%
Year 2 (2018-19)	28%
Year 3 (2019-20)	12%
Year 4 (2020-21)	2%

Amount of discretionary fund allocate to New Forest District Council (£,000)			
2017-18	2018-19	2019-20	2020-21
414	201	83	12

The financial support reduces dramatically across the 4 years of the scheme. As a result, any relief will be for one year only, with the level of support provided in years 2, 3 and 4 to be determined in those years based on the amount of central Government grant available and the number of ratepayers facing an increase in their rate liability in those years.

The Government has indicated they will not give authorities the flexibility to allow grant funding to be moved between financial years. This means the grant allocation for 2017-18 must be fully utilised in 2017-18.

1. Legislation

The discretionary fund will be administered through billing authorities' existing legal powers under Section 47 of the Local Government Finance Act 1988.

The scheme will be funded under Section 31 of the Local Government Act 2003 and thus the discretionary awards will be fully funded by the Government.

2. Scheme Design

Local Authorities have the power to design their own discretionary Business Rates relief scheme to determine how the funding for "revaluation support" is distributed across businesses with the district.

This is subject to certain Government conditions which have been provided to local authorities by way of guidance.

Assistance can only be provided under the terms of the grant funding, to ratepayers who face an increase in their bills following revaluation. The Government has made clear that it expects such grants to be made to those facing significant increases in *lower value properties*.

Although the Government has not defined *lower value properties* it is notable that the formula used for allocation of the grant, relates solely to increases for those properties with a rateable value of less than £200,000 effective from 1 April 2017, with an increase of 12.5% or more when compared to 2016-17 and this is incorporated into our local scheme.

In addition, in accordance with Legislative requirements, no rate relief can be granted in respect of an excepted hereditament; defined as a property occupied by a billing authority or a precepting authority.

3. The Council's policy for granting discretionary rate relief

The Council has decided that relief under the scheme will be awarded using the following criteria:-

- a. In assessing any potential entitlement to an award under this scheme, we will compare the following;
 - i. The rate liability of the ratepayer at 31 March 2017 for the 2016-17 financial year (after any reliefs and reduction), and
 - ii. The rate liability of the ratepayer at 1 April 2017 for the 2017-18 financial year (after any reliefs and reductions).

For those ratepayers who occupied their business premises during 2016-17 or for ratepayers who were entitled to any reliefs or reduction for part of 2016-17, their daily liability on 31 March 2017 will be annualised before comparison with their 2017-18 liability.

- b. Rate relief will only be granted where the calculation in 3a. above, would result in an increase of more than £600. The minimum increase is to ensure a consistent approach with the supporting small business rate relief scheme introduced by the Government at the same time.
- c. Rate relief will only be granted in respect of one main property where the rateable value shown in the rating list on 1 April 2017 was less than £200,000.
- d. If the ratepayer has more than one property for which they are responsible for the payment of business rates, rate relief will only be granted if the total rateable value of all properties in England and Wales shown in the rating list on 1 April 2017 was less than £200,000.
- e. Rate relief will only be granted if the property was shown in the rating list on 1 April 2017 and not where a property is entered in the rating list retrospectively.
- f. Further rate relief will not be considered in respect of an increase in the rateable value at any time after 1 April 2017
- g. Further to c. and d. above, if the rateable value of the main property or the total rateable value of all properties increases to £200,000 or more, rate relief will be withdrawn from the date the rateable increase takes effect.
- h. Rate relief will only be granted if the premises were occupied on 31 March 2017 and 1 April 2017. No rate relief within this scheme will be granted for unoccupied properties or where the premises become reoccupied after 1 April 2017.

- i. Ratepayers taking up occupation on or after 1 April 2017 or new ratepayers on or after 1 April 2017 will not be eligible for rate relief.
- j. Rate relief will be granted subject to state aid rules (see Section 8 below).

4. Amount of Rate Relief

Rate Relief will be awarded as a percentage of the increase in 2017-18 compared to 2016-17 as detailed below-

Amount of Local Discretionary Rate Relief			
2017-18	2018-19	2019-20	2020-21
Rateable Value below £100,000; 60% of the increase over £600, as defined in (Section 3) above, subject to a minimum award of £25	TBC	TBC	TBC
Rateable Value between £100,000 and £199,999; 30% of the increase over £600, defined in (Section 3) above, subject to a minimum award of £25	TBC	TBC	TBC

As a consequence of changes that may occur during the year e.g. a change of ratepayer, an increase in rateable value over the £200,000 threshold, rate relief award will be withdrawn from the date of the change.

In the event that the funding is not fully utilised, we will seek to redistribute this rate relief later in 2017-18.

5. Award Period

Local Discretionary Rate Relief will be awarded from 1 April 2017 for a maximum of 12 months, to the end of the relevant financial year.

At the start of each financial year, the account will be reviewed and if appropriate, rate relief will be awarded for a further 12 months, in accordance with the scheme that persists at that time.

Where there is a change of circumstances, such that the eligibility criteria outlined in Section 3 of this policy are no longer met e.g. the ratepayer vacates the hereditament or there is a change to the rateable value of the hereditament, the decision to award rate relief will be reviewed and where necessary the amount of relief will be recalculated and apportioned to reflect the changing circumstances.

6. Decision Making

The Council will identify ratepayers who meet the criteria set out in Section 3 and invite applications for rate relief.

Subject to the eligibility criteria set out in this policy, initial decisions will be delegated to the Senior Tax & Benefits Officer and Revenues Manager.

Applicants will be notified in writing; setting out the amount of the rate relief awarded under this scheme.

7. Reviews

A review against a decision not to award rate relief or the amount of rate relief awarded will be considered by the Service Manager (Housing and Community). The outcome of the review will be communicated to the ratepayer within 28 days, or as soon as reasonably practicable.

A request for a further review to the Service Manager (Housing and Community) will be accepted if the ratepayer provides additional significant new information. The decision of the Service Manager shall be final.

If an unsuccessful applicant requests a review, they will still need to continue to pay their rates bill.

The review process does not affect a ratepayer's legal right to challenge the decision by way of a judicial review.

8. European Union State Aid requirements

European Union competition rules generally prohibit Government subsidies to businesses. Relief from taxes including business rates can constitute state aid.

Rate Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013). The De Minimis Regulations allow an undertaking to receive up to €200 000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).

It is important to establish that the awarding of discretionary Business Rate relief will not result in the undertaking having received more than €200,000 of *de minimis* aid.

With this in mind the rate relief application will include a declaration to be completed by the ratepayer relating to state aid compliance.

9. Consultation

The grant determination states that a condition of the fund is that consultation is undertaken with 'relevant authorities'. For the purposes of this scheme, relevant authority means; Hampshire County Council, The Police and Crime Commissioner for Hampshire and The Hampshire Fire and Rescue Service.

The Council has consulted with its major preceptors and the response to that consultation is shown at Appendix D.

10. Additional Information

ANNEXE A

The Department for Communities and Local Government consultation on the design and implementation of the locally administered rate relief scheme.

ANNEXE B

Details of the New Forest's share of the £300m discretionary pot, across the 4 financial years; 2017-18 to 2020-21.

ANNEXE C

Letter from the DCLG dated 28 April 2017 concerning the Section 31 grant determination to be paid to authorities in 2017-18. This figure represents the portion of income that would be retained under the business rate retention scheme.

ANNEXE D

Response from Hampshire major preceptors to the rate relief consultation.

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**Hampshire County Council
Hampshire Fire and Rescue Authority
Police and Crime Commissioner**

Joint response to consultation on the design of the discretionary business rates relief scheme

Thank you for inviting comments on the design of your discretionary business rates relief scheme. This is a joint consultation response from all of the major preceptors in the billing authority's area.

Comments from Hampshire County Council and Hampshire Fire and Rescue Authority

The impact of the 2017 business rates revaluation has varied for different ratepayers in Hampshire. Bills for some ratepayers have fallen but they have risen for others. We welcome having a discretionary support scheme for ratepayers affected by revaluation increases, as they may benefit from additional help to manage the transition. The amount of support provided needs to be kept within the available funding from the Government. It would be appropriate to focus support on small and medium sized ratepayers with large revaluation increases, as these are the groups most likely to benefit from assistance.

We note that although funding is being provided from the Government over four years it is heavily weighted towards the earlier years. The design of the scheme will need to keep within the funding limit each year. We note that the Government proposes to consider in quarter two this year whether funding can be moved between years, which may be a useful flexibility if the Government permits it.

Comments from the Police and Crime Commissioner

The police will be not be financially affected by this scheme as the police do not receive funding from business rates. However, measures to help communities in the area served by the Police and Crime Commissioner are welcome, such as supporting local ratepayers who have seen an increase in bills as a result of the 2017 revaluation.

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FINANCIAL MONITORING REPORT (based on Performance to September 2017)

1. INTRODUCTION

- 1.1 This report provides an update on the 2017/18 budget, adjusting for any budget changes required (on a Portfolio and Committee basis), taking into account the financial performance of the Council between April – September.

2. BACKGROUND

- 2.1 The Council's financial strategy of a continuous review of activities and services to identify opportunities for savings in expenditure alongside opportunities to generate income has been successful in addressing the significant reductions in government funding whilst at the same time maintaining key service levels. Budget monitoring reports form an important part of this process and support the ongoing development of the Medium Term Financial Plan (MTFP).

3. GENERAL FUND REVISED PROJECTION

- 3.1 A General Fund budget of **£16.587m** for 2017/18 was agreed by Council in February 2017. Net positive variations reported to Cabinet in August amounted to £82,000 (£499,000 savings/income and £417,000 new requirements) and a reduced updated budget total for 2017/18 of £16.505m.
- 3.2 This report identifies new savings / additional income totalling **£392,000**, new requirements of **£25,000** and rephasing of **£416,000** (transferred to earmarked reserves). These changes result in an updated General Fund budget of **£16.138m**. Table 1 provides an overview of the variations and full details are provided in paragraphs 3.3 to 3.5.

Table 1	Para.	Savings £'000	New Req. £'000	Rephasing £'000	Total £'000
Original Budget April 2017/18					16,587
Variations agreed in August	3.1	-499	567	1,146	1,214
Transfer from Reserves in August	3.1		-150	-1,146	-1,296
Updated Budget August 2017/18		-499	417	0	16,505
Portfolio / Committee Items	3.3	-392	25		-367
Asset Maintenance / Replacement	3.4			-167	-167
Business Development / Third Party	3.5			-249	-249
Total Budget Variations This Period		-392	25	-416	-783
Transfer to Reserves This Period				416	416
Updated Budget November 2017/18		-891	442	0	16,138

3.3 PORTFOLIO/COMMITTEE ITEMS

Savings; £392k

Savings occurring in 2017/18 that have been allowed for within the latest MTFP as ongoing savings (predominantly in staffing) total £172k:

- £82k – Tax and Benefits (F&E)
- £45k – Environmental Health (ENV)
- £30k – Information Offices (F&E)
- £15k – Finance (F&E)

One-off savings that have occurred in 2017/18 equate to £220k:

- £70k – Registration of Electors (G P&L)
- £70k – Benefits admin grants (F&E)
- £40k – Streetscene (ENV)
- £25k – Fleet Replacement (F&E)
- £15k – Internal Health & Safety (F&E)

New Requirements; £25k

- £25k – Cemeteries income shortfall (ENV)

3.4 ASSET MAINTENANCE & REPLACEMENT

Rephasings; £167k (split between General Fund and HRA)

Projects that were initially due to take place in 2017/18 that will now form part of the development of the 2018/19 budget:

- £104k – Marsh Lane Depot Roof Replacement (F&E)
 - £71k to General Fund
 - £33k to HRA
- £96k – Health & Leisure Centres Various (H&L)

3.5 BUSINESS DEVELOPMENT/THIRD PARTY GRANTS

Rephasings; £249k

Projects that were initially due to take place in 2017/18 that will now form part of the development of the 2018/19 budget:

- £249k – The ICT programme budget for 2017/18 includes one-off projects specific to service development (£247k), and the first tranche of the 3 year 'Protect and Maintain Frontline Services' funding (£500k). The level of spend in 2017/18 is now anticipated to be lower in both areas (by £137k and £112k respectively) due to the level of instability in the existing systems, leading to the ICT Service's focus being on sustaining 'business as usual' and preventing major outages. (F&E)

4. CAPITAL EXPENDITURE (General Fund and Housing Revenue Account)

- 4.1 The Capital Programme agreed in February amounted to **£21.266m**. This was increased to a revised capital budget of **£23.002m** in August to reflect net budget reductions of **£156,000** and rephasings of schemes from 2016/17 (**£1.892m**).
- 4.2 At this point, there are no significant variations to report on this previously revised budget.

5. HOUSING REVENUE ACCOUNT

- 5.1 A break-even HRA budget for 2017/18 was agreed in February 2017. The table below summarises the current position, taking into the account the reported variations (detailed in paragraph 5.2);

	Original Budget	New Variations (Para. 5.2)
	£'000	£'000
Income	-27,919	-90
Revenue Maintenance	4,961	
Supervision & Management	5,122	-63
Rents, Rates, Taxes & Other Charges	11	
Provision for Bad Debt	150	
Capital Financing Costs	8,584	
Contribution to Capital	9,091	
	27,919	-153

5.2 A one-off insurance claim receipt, a minor saving in Planned Maintenance staffing, and a rephrasing of the roof replacement project at Marsh Lane Depot result in a favourable variation of £153k.

6. CRIME AND DISORDER / EQUALITY AND DIVERSITY/ENVIRONMENTAL IMPLICATIONS

6.1 There are no Crime & Disorder, Equality & Diversity or Environmental implications arising directly from this report.

7. PORTFOLIO HOLDER COMMENTS

7.1 I am pleased to note that we are continuing to make steady progress.

8. RECOMMENDATIONS

8.1 It is recommended that Cabinet notes the latest budget forecasts of the General Fund (para 3.2), Capital (para 4.1) and HRA (para 5.1).

For Further Information Please Contact:

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