

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**

DATE: **TUESDAY, 17 FEBRUARY 2015**

REPORT BY: **CHIEF OFFICER (COMMUNITY AND ENTERPRISE)**

SUBJECT: **COUNCIL TAX AND BUSINESS RATE POLICIES FOR 2015-16**

1.00 PURPOSE OF REPORT

1.01 Members are asked to approve various policies for the administration of Council Tax and Business Rates for the financial year 2015-16.

2.00 BACKGROUND

2.01 The policies required by statute to be approved each year are :-

- Council Tax Discounts on second and long term empty homes (section 3)
- Council Tax Discretionary discounts (section 4)
- Business Rates Discretionary Rate Relief (section 5)
- Business Rates Discretionary Rate Relief for Small Businesses (section 6)

3.00 COUNCIL TAX ON SECOND AND LONG TERM EMPTY HOMES

3.01 Each year the Council is required to determine what discount, if any, is awarded to second or holiday homes (known as Prescribed Classes A or B) and long term empty properties (known as Prescribed Class C). The prescribed Classes are :

- Class A – A property which is unoccupied and furnished but occupation is prohibited by law for over 28 days each year.
- Class B – A property which is unoccupied but furnished and occupation is not prohibited by law.
- Class C - A property which is unoccupied and substantially unfurnished beyond the normal exempt period

3.02 The current policy is not to award discounts to any Prescribed Class and this applies to the whole of the County area. This is also reflected in the 2015-16 Tax Base calculation.

4.00 COUNCIL TAX DISCRETIONARY DISCOUNTS

- 4.01 In accordance with section 13A of the Local Government Finance Act 1992 (as amended by section 76 of the Local Government Act 2003), the Council has a general discretion to reduce the amount of Council Tax payable, effectively granting a local Council Tax Discretionary Discount.
- 4.02 In exercising these discretionary powers the Council must act reasonably having regard to all relevant considerations and the interests of all tax payers as the cost of awarding a Discretionary Discount would in effect be borne by other Council Tax payers.
- 4.03 It is recommended that the Chief Officer for Community & Enterprise and Cabinet Member for Corporate Management consider discretionary discounts through the use of delegated powers only in cases of civil emergencies and natural disasters.

5.00 BUSINESS RATES - DISCRETIONARY RATE RELIEF

- 5.01 Discretionary Rate Relief for Charitable and Non Profit Making Organisations is currently awarded on a continual basis, subject to a minimum of 12 months and full financial year notice if any ratepayer is impacted by a change in policy. Current policy is determined by the following categories :-
- Premises used for charitable purposes by organisations specifically registered with the Charity Commission. (20% discretionary 'top up' relief is awarded, with the exception of shops operated by national organisations, who receive 80% Mandatory Relief only).
 - Premises used by non-profit making organisations that are treated as charities, for the reason that they bear the same characteristics as those organisations that are registered charities. This category consists of Community Centres, Institutes and Village Hall, other than those occupied by Precepting Authorities. (20% 'top up' relief is awarded)
 - Premises occupied by sporting clubs, societies or other organisations used for the purpose of non profit making and used for the purpose of recreational, social welfare etc. (100% Discretionary Relief is awarded with the exception of golf clubs, which are awarded 50% Discretionary Relief)
 - Premises not covered by any of the above categories, occupied by non-profit making organisations but are used for the benefit of the community and who are assessed on an individual basis based on their merits.(Up to 100% Discretionary Rate Relief can be awarded)

- 5.02 Section 69 of the Localism Act 2011 amends section 47 of the Local Government Finance Act 1988 to replace the limited circumstances in which local authorities can currently give discretionary relief with a power to grant relief in any circumstances.
- 5.03 This is subject to the condition that, except in the limited circumstances specified, the local authority may only grant relief if it would be reasonable to do so having regard to the interests of council tax payers in its area. However, unlike other specific types of discretionary rate relief as detailed in section 5.01 where the Welsh Government substantially fund the cost of rate relief, the Council will be responsible for fully funding any other discretionary discounts granted.
- 5.04 In exercising these discretionary powers the Council must act reasonably having regard to all relevant considerations and the interests of all tax payers as the full cost of awarding a Discretionary Discount would in effect be borne by other Council Tax payers.
- 5.05 It is recommended that the Chief Officer for Community & Enterprise and Cabinet Member for Corporate Management consider any applications received for discretionary discounts falling outside of the scope of the policy in section 5.01 to be considered on their own merits through the use of delegated powers using the following criteria:-
- Requests for reductions will be required in writing from the ratepayer or their appointed agents with a full business case and documentary evidence in support of the request
 - The Council's finances allow for a reduction to be made.
 - It must be in the interest of Council Tax payers for the Council to grant such a reduction
 - All other eligible discounts/reliefs have been considered and/or awarded to the ratepayer

6.00 DISCRETIONARY RELIEF FOR SMALL BUSINESSES

- 6.01 The Welsh Government Small Business Rate Relief scheme together with the Government's recent announcement to extend rate relief on a temporary basis up to 31st March 2016 provides rate relief, financed by Welsh Government.
- 6.02 The Welsh Government Small Business Rate Relief scheme contains provision to award discretionary 'top up' relief to small businesses although the Council is required to meet the costs in full of any 'top-up' awards.
- 6.03 The current policy is not to award additional discretionary 'top-up' discounts to small businesses.

7.00 RECOMMENDATIONS

7.01 Members are requested to consider continuation of the current Council Tax and Business Rate Policies for 2015-16, as follows:-

- Not to award Council Tax discounts on any prescribed class and that this applies to the whole of the County area (3.02).
- For the Chief Officer – Community & Enterprise and Cabinet Member for Corporate Management to consider section 13a discretionary discounts through the use of delegated powers (4.03).
- Discretionary rate relief for as set out (5.01).
- For the Chief Office – Community & Enterprise and Cabinet Member for Corporate Management to consider any applications for Business Rate discretionary discounts not within the scope of the existing policy as set out in 5.01 through the use of delegated powers (5.05).
- Not to award discretionary 'top-up' discounts to small business (6.03).

8.00 FINANCIAL IMPLICATIONS

8.01 On the basis of a continuation of existing policies, costs will be contained within budget.

9.00 ANTI POVERTY IMPACT

9.01 None

10.00 ENVIRONMENTAL IMPACT

10.01 None

11.00 EQUALITIES IMPACT

11.01 None

12.00 PERSONNEL IMPLICATIONS

12.01 None

13.00 CONSULTATION REQUIRED

13.01 None

14.00 CONSULTATION UNDERTAKEN

14.01 None

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS

- Local Government Finance Acts 1988 & 1992
- The Non Domestic Rating (Discretionary Relief) Regulations 1989 (as amended)

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