

Meeting of:	Cabinet
Date of Meeting:	Monday, 11 October 2021
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Business Rates - Discretionary Hardship Relief
Purpose of Report:	To consider an appeal in respect of the refusal to award Discretionary Hardship Business Rates Relief
Report Owner:	Leader and Cabinet Member for Performance and Resources
Responsible Officer:	Carys Lord - Head of Finance, Resources
Elected Member and Officer Consultation:	No Elected Members have been consulted. Exchequer Manager - Resources
Policy Framework:	This is a matter for executive decision by Cabinet
Executive Summary:	<ul style="list-style-type: none"> This report brings to the attention of Cabinet an appeal in respect of the Council's decision to refuse an award of Discretionary Hardship Business Rates Relief.

Recommendation

1. That Cabinet notes the contents of the report, with a view to taking decisions on the appeal as detailed within the Part II report later on this agenda.

Reason for Recommendation

1. To consider the issues of the appeal in detail

1. Background

- 1.1 As in accordance with S49 of the Local Government Finance Act 1988, the Council has discretion to remit all or part of the rates payable where a ratepayer would sustain hardship if the authority refused the application and where it is reasonable to do so having regard to the interests of local council taxpayers.
- 1.2 The decision to award Hardship Relief was delegated to the Head of Finance in consultation with the Leader under minute C908 of Cabinet on 2nd June 2010.
- 1.3 Each application received for Hardship Relief is considered on its individual merits.
- 1.4 An application was received on the 6th October 2019 for the period 1st April 2019 to 31st March 2020, requesting Hardship relief for the full outstanding balance of £3,961.17.
- 1.5 The total amount of business rates payable for the relevant period, 1st April 2019 to 31st March 2020, is £8,103.42 but an amount of £4,142.25 Empty Property Rate Relief has been awarded.
- 1.6 It was stated in the appeal that they would sustain financial hardship without the relief due to third party illegal activities where unlicensed waste was dumped at the property that has cost the company £150,000 to remove.
- 1.7 Whilst the statutory Empty Property Rate Relief had been awarded, Hardship Relief was refused on the grounds that it would not be in the interests of local council taxpayers to subsidise the rate liability for the company which is a requirement of the Regulations.
- 1.8 In addition, a further application for Hardship Relief has been received from which covers the period 1st April 2020 to the 9th February 2021 for the amount of £6,953.90 and the grounds on which the application relies on is identical to the original application. This application was refused by the Head of Finance, in consultation with the Leader on the 27th August 2021.

2. Key Issues for Consideration

- 2.1** Where the Council awards Hardship Relief to a business, 75% is met by the Welsh Government as it is offset against payments into the Non-Domestic Rates Pool. The remaining 25% is met by the Council and is therefore borne locally by community taxpayers.
- 2.2** The Council initially refused the application on the grounds that it would not be in the interest of local taxpayers to fund the business rates of and that the only benefit of any hardship relief would be to the company itself.
- 2.3** Deferred payment arrangements have been offered and as the unit has now been relet then there is no ongoing liability for business rates.
- 2.4** The council has already refused previous applications from other businesses where it considers that it would not be in the interest of local council taxpayers to fund the relief. As a result, if the appeal were allowed by Cabinet then this could set a precedent in respect of other applications for Hardship Relief received from other organisations where similar circumstances may exist.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

- 3.1** The proposal not to award Hardship Relief ensures that assistance is only provided where it is deemed necessary to do so. Should the awarding of Hardship Relief not be controlled then this could place a significant financial burden on the Council. As the Council continues to manage its services with diminishing resources then this additional burden could impact on vital frontline services both in the short and long term.
- 3.2** Whilst the awarding of Hardship Relief contributes to the Well-being outcome of a Prosperous Wales by assisting local businesses who provide employment opportunities, thereby allowing people to take advantage of the wealth generated through securing decent work, it should only be awarded in appropriate circumstances. It should also be noted that the latest accounts of the company indicate that there are no employees of the business.

4. Resources and Legal Considerations

Financial

- 4.1** Should the appeal be successful, then the amount of Hardship requested in respect of the property is as follows:
 - Period 01/04/2019 to the 31/03/2020 = £3,916.17
 - Period 01/04/2020 to the 09/02/2021 = £6,953.90

Employment

- 4.2** None.

Legal (Including Equalities)

4.3 None.

5. Background Papers

None.