

Report to CABINET

Non-Domestic Rates 2019/20

Portfolio Holder:

Cllr Sean Fielding, Leader of the Council and Cabinet Member for
Economy and Enterprise

Cllr Abdul Jabbar MBE, Deputy Leader and Cabinet Member for
Finance and Corporate Resources

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Reason for Decision

To consider a request for the deferment of Non-Domestic Rates payments for part of the financial year 2019/20.

Executive Summary

The Council has been approached by a local business with a request to defer its Non-Domestic Rates payments for 2019/20 for a limited time period.

Further details are included in the report to be considered within Part B of the agenda.

Recommendations

Subject to due consideration of the report included within Part B of the agenda, it is recommended that the Council approves the request for the deferment of Non-Domestic Rates payments.

Non-Domestic Rates 2019/20**1. Background**

- 1.1. Non-Domestic rates, also known as business rates, are levied on commercial properties such as offices, shops, pubs, factories, and warehouses. Income received from Business Rates provides funding for local services provided by the Council.
- 1.2. Those liable to pay business rates (Ratepayers) are required to pay the full amount charged, in instalments, within the relevant financial year. Any ratepayers seeking a variation to their business rates obligations must obtain the agreement of Council.
- 1.3. The Council has been approached by a local business with a request for the deferment of its Non-Domestic Rates payments for 2019/20 for a limited time period.

2. Current Position

- 2.1. In order to allow informed consideration of the request to defer the payment of Business Rates for a limited period, the Council has undertaken a due diligence exercise based on information provided by the company and obtained from credit reports. Meetings with company representatives have also taken place.
- 2.2. Rating legislation enables the Council to award Discretionary Hardship Relief, whereby the Council has the power to reduce or remit the business rates charged in certain circumstances where the applicant organisation is encountering temporary financial difficulties. The relief may be granted if the Council is satisfied that:
 - The ratepayer would sustain financial hardship if the Council did not do so; and
 - It is reasonable for the Council to grant relief, with regard to the interests of its Council Tax payers.
- 2.3. It is important to note that seeking a deferment of rates payable not a reduction or removal of rates through an application for Discretionary Hardship Relief. The power to grant Discretionary Hardship Relief does give some context as to whether it is reasonable to enter into such an agreement, particularly the criteria within the Councils' policy that permits the awarding of relief where the community would be significantly disadvantaged if the organisation were to close due to temporary financial constraints.
- 2.4. In addition, the Council has to be mindful of State Aid issues in awarding any reliefs. The de minimus regulations allow an undertaking to receive up to 200,000 Euros de minimus aid over a rolling three-year period. The proposal set out within the 'Part B' report suggests there would not be a breach of EU state aid rules.
- 2.5. Having regard to the review undertaken within the due diligence exercise, the State Aid position and rating legislation, it is considered appropriate to recommend the deferment of Business Rates for the local business for a limited period as per the request.

3. Options/Alternatives

- 3.1. There are two options:
 - Option 1 – Refuse the proposed deferment of Non-Domestic Rates;
 - Option 2 – Accept the proposed deferment of Non-Domestic Rates.

4. **Preferred Option**

4.1. Option 2 is the preferred option.

5. **Consultation**

5.1. Consultation has taken place with the Leader and Deputy Leader and Cabinet Member for Finance and Corporate Resources and the Director of Finance. Officers from the Finance Service and the Council's Business and Investment Team met with company representatives as part of the due diligence process.

6. **Financial Implications**

6.1. Financial implications are disclosed in full within the Part B report.

7. **Legal Services Comments**

7.1. Legal implications are disclosed in full within the Part B report.

8. **Co-operative Agenda**

8.1. The deferral proposal provides temporary support to a local non-domestic ratepayer. The proposal also aligns with the Oldham Plan priority to deliver an inclusive economy.

9. **Human Resources Comments**

9.1. None.

10. **Risk Assessments**

10.1. Risk assessment comments are disclosed in full within the Part B report.

11. **IT Implications**

11.1. None.

12. **Property Implications**

12.1. None.

13. **Procurement Implications**

13.1. None.

14. **Environmental and Health & Safety Implications**

14.1. None.

15. **Equality, community cohesion and crime implications**

15.1. None.

16. **Equality Impact Assessment Completed?**

16.1. No

17. **Key Decision**

17.1. Yes

18. **Key Decision Reference**

18.1. FCR-03-19

19. **Background Papers**

19.1. Exempt.

20. **Appendices**

20.1. None.