

Background Information for Emergency Expenditure Request

Emergency: Coronavirus 2020
Subject: Expanded Retail Discount Scheme
Date: 20 March 2020
Chief Officer: Jim Carrington-West

Council Constitution

Appendix D - Financial Procedure Rules

2d. Emergency Expenditure

Why is this important?

The Council needs to have in place a procedure for meeting immediate needs in the case of an emergency situation arising in the District.

General

2.32 The Chief Executive and s.151 Officer/Chief Finance Officer shall have the authority to approve expenditure on any item which is essential to meet any immediate needs created by an emergency or which is referable to Section 138 of the Local Government Act 1972, subject to a subsequent report to Cabinet and/or Full Council depending on whether or not the expenditure can be met from within the current budget framework.

2.33 The Chairman or Vice-Chairman of the Council together with the Leader or Deputy Leader of Council, having received a report from the Chief Executive and the Chief Executive and s.151 Officer/Chief Finance Officer, shall have power to incur expenditure which is essential to meet any immediate needs created by an emergency or which is referable to Section 138 of the Local Government Act 1972 (or other subsequent legislation) which is not otherwise authorised or where it is necessary in the Council's interest to settle legal proceedings which have been commenced against the Council. A subsequent report shall be submitted to Cabinet and/or the full Council depending on whether or not the expenditure can be met from within the current budget framework.

Detail

On 27 January 2020 the Government increased the existing Retail Discount for 2020/2021 from 33% of the net rates bill to 50% and extended the scope of the discount to include cinemas and live music venues.

In response to the coronavirus, In the budget on 11 March 2020 the Government further increased the Retail Discount for 2020/2021 from 50% to 100% and extended the scope of the discount to encompass the leisure and hospitality sectors.

On 17 March 2020 the rateable value limit of £51,000 which was previously in place was lifted to allow any occupied qualifying business to receive the discount, regardless of rateable value.

It is for individual billing authorities to adopt a local scheme and to determine in each individual case when, having regard to the guidance issued on 18 March 2020, to grant relief using discretionary powers under section 47 of the Local Government Finance Act 1988 (as amended).

It is imperative that we deliver much needed support to the business community in the form of rate relief to preserve the local economy

Financial Impact

Since 1 April 2013 all discretionary relief granted has come under the provisions of the business rates retention scheme.

The cost of relief is initially shared between central government (50%) and local authorities (50%). Of this Sevenoaks District Council is required to fund 40%. However, due to the complexities of business rates retention, the actual impact is likely to be significantly lower.

Central government will fully reimburse billing authorities and major precepting authorities for the actual cost to them under the rates retention scheme of the relief that falls within the definitions in the guidance set out in Appendix A. Reimbursement will be by way of a grant under section 31 of the Local Government Act 2003.

Requesting Chief Officer: Jim Carrington-West - Customer and Resources

Approval

Chief Executive:



Chief Officer - Finance and Trading:

