

# Executive Report



Delegated Decisions - 7 January 2025

## Discretionary Rate Relief Guidelines

Name of Cabinet Member	<b>Councillor Lauren Townsend</b> (Deputy Leader and Cabinet member for Resources and Customer Experience)
Report sponsor	<b>Steve Richardson</b> Director of Finance and Resources
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Exempt / confidential / not for publication	<b>No</b>
Council Plan reference	<b>Not in Council Plan</b>
Wards affected	<b>All wards</b>

## Executive Summary

Whilst working within the national frameworks for Revenues and Benefits the service maintains several operational policies at the discretion of Milton Keynes City Council.

Each policy has been formulated with regard to financial implications and legislative issues, while safeguarding the most vulnerable within the communities of Milton Keynes.

The key policies are reviewed on a yearly basis. Following a review, amendments are now required to the Discretionary Rate Relief for Non-Domestic Rates Policy and Guidelines

The report summarises the reasons for the need to review and amend the policy, as well as highlighting the main changes to the policy.

This report also requests approval of the list of rural settlements as required by S.42A Local Government Finance Act 1988 for the purposes of awarding Rural Rate Relief.

### 1. Proposed Decisions

- 1.1 That the Discretionary Rate Relief Policy for Non-Domestic Rates (attached at **Annex A**) and Discretionary Rate Relief Guidelines for 2025/26 (attached at **Annex B**), be approved.

1.2 That the list of rural settlements, listed on page 12 of the Discretionary Rate Relief Guidelines (attached at **Annex B**), as required by S.42A Local Government Finance Act 1988, be approved.

## 2. Reasons for the Decision?

2.1 The discretionary rate relief scheme is reviewed each year to ensure that its aims and objectives remain current and to agree the estimated cost to the Council of implementing the scheme.

## 3. Implications of the Decision

Financial	Y	Human rights, equalities, diversity	N
Legal	Y	Policies or Council Plan	N
Communication	N	Procurement	N
Energy Efficiency	N	Subsidy	N
Workforce	N	Other	Y

### a) Financial Implications

Since 1 April 2013, the cost of Discretionary Rate relief is deducted from the Business Rates Baseline and so impacts on the Council's share of retained business rate income. In building the business rates funding baseline, it has been assumed that the following amounts will be spent on Discretionary Rate reliefs.

Table 1 - Forecast Spend 2025/26

Relief Type	£'000
Discretionary rate relief (Charities and Not for Profit Organisations)	496
<b>Total</b>	<b>496</b>

Where the Government puts in place a scheme whereby the Council will be fully compensated for the loss of rates yield arising from an award of discretionary rate relief, awards of relief shall be made in accordance with the guidance issued for the scheme to ensure that there is no cost to the Council unless there is a decision of the Council to the contrary.

### b) Legal Implications

Section 47 of the Local Government Finance Act 1988 (as amended) permits Milton Keynes City Council as the billing authority to agree a Policy on Discretionary Rate Relief. The Council must have regard to any relevant guidance issued by the Secretary of State.

### c) Other Implications - Key Risk

The key opportunity is to revise the policies and support local businesses.

It is assessed that the proposed changes have a LOW Likelihood of creating a LOW financial impact on the Revenues and Benefits budgets.

In respect of Discretionary Rate Relief, the cost will be included in the calculation of the Council's business rates baseline. The financial risk is increased applications meeting the guidelines although this risk is mitigated by most of the additional cost being met by Central Government. The thresholds mean while there is a risk that additional requests will be received the overall financial impact is likely to be low. The risk to the Council in not continuing this service will be the potential impact on revenue collection and failing to build upon the improvements in collection achieved over recent years.

## 4. Alternatives Considered

### 4.1 Agree and Approve the Policy (**recommended**)

The policy has been circulated to internal services that may be impacted and the proposed content is in keeping with the ethos and finances of the Council.

### 4.2 Propose Amendments to the Proposed Policy

Amendments can be proposed but must have due regard to their legality, the finances of the Council and their administrative viability.

### 4.3 Retain the Policy as it was in 2024/25

The policy has been updated to keep pace with changes in legislation and localism. Retention of the policy would mean that we are working to a policy that has not kept pace with the changing legislation and social climate which may create administrative issues. It is best practice to regularly review policies and guidelines.

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## List of Annexes

Annex A Discretionary Rate Relief Policy for Non-Domestic Rates 2025/26

Annex B Discretionary Rate Relief Guidelines 2025/26

## List of Background Papers

Local Government Finance Act 1988

<https://www.legislation.gov.uk/ukpga/1988/41/section/47>

The Non Domestic Rating Act 2023

<https://www.legislation.gov.uk/ukpga/2023/53/enacted>

Rural Settlement List

<https://www.legislation.gov.uk/ukpga/1988/41/section/42A>