

BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

8th February 2007

Rural Settlement List for Rural Rate Relief

Responsible Portfolio Holder	Cllr Margaret Taylor
Responsible Head of Service	Head of Financial Services – Jayne Pickering

1. SUMMARY

- 1.1 The rural settlement list for the financial year from 1 April 2007 and revised guidelines for the award of discretionary rural rate relief are presented for approval.

2. RECOMMENDATION

- 2.1 The rural settlement list as set out in **Appendix A** be approved and adopted for use from 1 April 2007.
- 2.2 The revised guidelines for the award of discretionary rural rate relief as set out in **Appendix B** are approved.

3. BACKGROUND

- 3.1 As a billing authority we are required to compile and maintain a list that identifies the rural settlements within the billing authority's area. This is used to determine those properties which will qualify for rate relief under the rural rate relief legislation.
- 3.2 A rural settlement must be wholly or partly within a billing authority's area; it must appear to have a population of less than 3000 on 31 December in the year before the rural settlement list comes into force and it must be in an area designated by the secretary of state as a rural area.
- 3.3 Certain types of property within a rural settlement will be entitled to 50% mandatory relief against the business rates liability if the rateable value for the property is below a prescribed level.
- 3.4 The properties eligible for the mandatory relief are;
- The only post office within a rural settlement.
 - The only general store within a rural settlement.
 - The only public house within a rural settlement.
 - The only petrol filling station within a rural settlement.
 - A rural food shop.

- 3.5 In addition to the 50% mandatory relief the billing authority can at its discretion award a further relief of up to an additional 50%.
- 3.6 Any business within a rural settlement, with a rateable value of less than £14,000, can be granted a discretionary relief of between 1-100%. This is provided the billing authority is satisfied that the property is used for a purpose which is of a benefit to the local community and it would be reasonable for the billing authority to grant relief having regard to the interests of the Council Tax payers.
- 3.7 The policy submitted for approval for Discretionary Rate Relief sets out the framework for application and approval of Rural Rate relief.

4. FINANCIAL IMPLICATIONS

- 4.1 The costs of all awards of Mandatory Rural Rate Relief are met centrally through a deduction against contributions to the Non-Domestic Rates Pool.
- 4.2 75% of the costs of any discretionary award can be deducted from the authority's contribution to the Non-Domestic Rates pool. The remainder is met from the existing discretionary relief budget, which is currently £69,519.

5. LEGAL IMPLICATIONS

- 5.1 The power to grant Mandatory and Discretionary relief is contained in section 43 and 47 of the Local Government Finance Act 1988. The legislative procedures that govern the relief are contained in the;

Non-Domestic Rating (Designation of Rural Areas) (England) Order 2001
The Rating (Former Agricultural Premises and Rural Shops) Act 2001
The Non-Domestic Rating (Public Houses and Petrol Filling Stations) (England) order 2001 (as amended)

6. CORPORATE OBJECTIVES

- 6.1 The rural rate relief scheme provides support to essential business within vulnerable rural communities. The approval of the revised settlement list and the guidelines for relief will support the council's objective to provide a sense of community.

7. RISK MANAGEMENT

- 7.1 An up to date Rural Settlement list is required to ensure that there is transparency in the administration of awards for relief in rural areas. Failure to publicise Rural Rate Relief can mean that relief is not awarded to those businesses in rural areas that would qualify which in turn could lead to adverse publicity.

8. CUSTOMER IMPLICATIONS

- 8.1 The approval of the revised guidelines for awards of discretionary relief will ensure that applications from all customers are processed fairly and equitably. This information will be made available on the website.

9. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Acting Chief Executive	Yes
Corporate Director (Services)	Yes
Assistant Chief Executive	Yes
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal & Democratic Services	Yes
Head of Organisational Development & HR	Yes
Corporate Procurement Team	None

10. APPENDICES

Appendix A Rural Settlement List for the financial year commencing 1 April 2007

Appendix B Guidelines for the discretionary award of rural rate relief

11. BACKGROUND PAPERS

Bromsgrove District Council Local Plan

Bromsgrove Information Handbook 2006

2001 Census Information

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Bromsgrove District Council**Rural Settlement List from 1 April 2007**

Settlement	Estimated Population
Adams Hill	170
Barnt Green	2,974
Belbroughton	825
Beoley	210
Blackwell	1,391
Bourneheath	635
Burcot	190
Clent	97
Cofton Hackett	1,416
Dodford	303
Fairfield	178
Grimes Hill	1,782
Hopwood	528
Holy Cross	528
Lickey	2873
Lower Clent	76
Major's Green	993
Romsley	1,601
Rowney Green	393
Stoke Prior	2,008

Bromsgrove District Council

Discretionary Rate Relief Guidelines to be operated from 1 April 2007

Category Number	Category	Discretionary Relief of
1	Premises in receipt of Mandatory Rural Rate Relief	Up to 50% based on social criteria
2	Premises which would be entitled to Mandatory Rural Rate Relief but do not qualify because their rateable value is above the prescribed limit	50% and up to a further 50% based on social criteria
3	Public Houses which do not qualify for the mandatory relief because a licence is also held in respect of another property within the rural settlement. Where the other licensed premises is not traditional village pub.	50% and up to a further 50% based on social criteria
4	Premises with a rateable value below the RV limit that are not entitled to the Mandatory relief because of the presence in the rural settlement of other premises of that type.	50% relief divided by the number of premises of that type within the rural settlement. Up to a further 50% based on the social criteria.
5	Other business premises with an RV of below 14,000 which are of benefit to the local community.	Up to 50% relief based on the social criteria. A further relief of up to 50% if the business is trading at a loss.

Note

Where a further relief is available for businesses trading at a loss the amount of relief will be 50% or the level of the trading loss whichever is lower.

A licence is:

- (a) a premises licence granted under Part 3 of Licensing Act 2003, or
- (b) a licence granted under Part 1 of Schedule 8 to that Act.