

RECORD OF EXECUTIVE DECISION TAKEN BY AN EXECUTIVE MEMBER OR OFFICER

This form can be used for any decision but **MUST** be used to record:

- any decision taken by the Elected Mayor or an individual Councillor
- a key decision taken by a Council Officer

In these circumstances the form must be completed and passed to the Head of Members' Services no later than NOON on the second working day after the day on which the decision is taken. No action may be taken to implement the decision(s) recorded on this form until 7 days have passed and the Head of Members' Services has confirmed the decision has not been called in.

1. Description of decision

The hardship rate relief of **£2,344.00** is awarded to Mr G & Mrs V Ciampa trading as Cartridge Depot in respect of the premises at 30 St. Loyes Street, Bedford, MK40 1EP.

2. Date of decision

8 May 2013

3. Reasons for decision

- i. It is considered that the ratepayer will suffer hardship if an award is not made.
- ii. It is considered reasonable to make an award, having regard to the interests of local Council Taxpayers because;
 - a. The business is an independent local business that trades in products that would otherwise only be available in the locality from non-independent retailers;
 - b. The business offers a wider choice of print cartridge products in comparison to other retailers, particularly for older models of printer;
 - c. The business encourages sustainability by refilling used cartridges and offering a recycling facility for used cartridges;
 - d. The business contributes to the local community by giving donations to charities and schools that return empty cartridges;
 - e. The business has a comprehensive business plan and it is considered that an award of rate relief would assist the business during its start-up phase in achieving a more viable financial position.

4. Alternatives considered and rejected

The alternatives of not an awarding of rate relief or awarding a different amount were considered and rejected.


5. How decision is to be funded

There award of rate relief will reduce the Council's retained rates yield by £1,149. This shortfall can be fully funded from the agreed budget for hardship rate relief.

6. Conflicts of interest

Name of all Executive members who were consulted AND declared a conflict of interest.	Nature of interest	Did Standards Committee give a dispensation for that conflict of interest? (if yes give details and date of dispensation)

The Mayor has been consulted on this decision



Signed Shan Hunt Date 8 May 2013

Name of Decision Taker ... SHAN HUNT

This is a public document. A copy of it must be given to the Head of Members' Services as soon as it is completed.

Date decision published: ... 08.05.13

Date decision can be implemented if not called in: ... 20th May 2013

Bedford Borough Council – Portfolio Holder for Revenues and Benefits, Customer Service and ICT

May 2013

Report by the Assistant Director (Revenues, Benefits and Customer Service)

Subject: NON DOMESTIC RATES – HARDSHIP RELIEF APPLICATION

1. Executive Summary

This report requests the Portfolio Holder to consider one application for relief from Non-Domestic Rates on the grounds of hardship as detailed in **Appendix A**.

In order to consider an application for rate relief on the grounds of hardship the Portfolio Holder must be satisfied that the ratepayer will suffer hardship if relief is not awarded and in making a decision must have regard to the interests of local Council Taxpayers.

2. Recommendation

The Portfolio Holder is invited to consider the application for hardship rate relief from Mr G & Mrs V Ciampa trading as Cartridge Depot in respect of the premises at 30 St. Loyes Street, Bedford, MK40 1EP, and to determine the amount of relief, if any, to be awarded.

3. Reasons for Recommendation

- i. It is considered that the ratepayer will suffer hardship if an award is not made.
- ii. It is considered reasonable to consider making an award, having regard to the interests of local Council Taxpayers because;
 - a. The business is an independent local business that trades in products that would otherwise only be available in the locality from non-independent retailers;
 - b. The business offers a wider choice of print cartridge products in comparison to other retailers, particularly for older models of printer;
 - c. The business encourages sustainability by refilling used cartridges and offering a recycling facility for used cartridges;

- d. The business contributes to the local community by giving donations to charities and schools that return empty cartridges;
- e. The business has a comprehensive business plan and it is considered that an award of rate relief would assist the business during its start-up phase in achieving a more viable financial position.

4. Key Implications

4.1 Legal Issues

Section 49 of the Local Government Finance Act 1988 gives the Council a discretionary power to reduce or remit the Non Domestic Rate liability of any ratepayer. In order to award hardship relief the Council must be satisfied that the rate payer would sustain hardship if the Council did not do so, and it is reasonable to do so having regard to the interests of the Council taxpayers. The Council must act reasonably in exercising the discretion and consider each one on its own individual merits. As there is no other right of appeal any ratepayer wishing to challenge a decision would have to do so by commencing proceedings for a judicial review of the decision in the High Court.

An award of rate relief will reduce the non-domestic rates yield, and, therefore, the central government share of the yield. This central government share is accounted for through an annual return to the Department for Communities and Local Government, which is subject to audit by the External Auditor. If an auditor were to determine that the Council has not acted within its legal powers in making an award of rate relief the return could be qualified the Council required to meet the shortfall in the central Government share of the rates yield.

4.2 Policy Issues

The Council does not have a formal policy for consideration of awards of hardship rate relief in respect of non-domestic rates due prior to 1 April 2013 but does have well established guidelines for assessing each application as follows:

- (a) The ratepayer must be liable for payment of Non Domestic Rates to Bedford Borough Council;
- (b) The Council must be satisfied that:
 - (i) The ratepayer would sustain hardship if the Council failed to grant Hardship Relief; and
 - (ii) It is reasonable to grant Hardship Relief having regard to the interest of person's subject to the Council Tax.

The test of “hardship” need not be confined strictly to financial hardship and applicants should disclose all relevant factors affecting the ability of the business to meet its rate liability.

The “interest” of local Council Taxpayers may go wider than direct financial interests; for example, where employment prospects in an area would be worsened by a ratepayer going out of business, or the amenities of an area might be reduced by, for instance, the loss of a neighbourhood shop.

Whilst the Council can consider an application for Hardship Relief from any ratepayer who satisfies the qualifying criteria, applications are particularly welcome from ratepayers in respect of the following categories of properties:

- Village Shops
- Starter Units
- Small specialists shops unique to an area
- New ventures filling gaps in the market
- Areas facing a decline in trade
- Neighbourhood shopping parades

4.3 Resource Implications

Following changes to local government funding from 1 April 2013 the Council will retain 49% of the non-domestic rates yield for its area. The award of hardship rate relief will reduce the amount of the rates yield retained by the Council. The recommended award of **£2,344** will result in a reduction of retained rates yield of **£1,149**. The total estimated rates yield for 2013/14 is **£29.7 million**.

There is an agreed budget of **£12,670** for the current year to be used to offset the shortfall in rates yield due to awards of hardship relief.

4.4 Risk Implications

There is a fixed budget allocated to fund awards of hardship relief, therefore, there is a risk that the remaining funds may prove insufficient to fund future applications within this financial year that the Council wishes to support. This risk is, however, considered very low in view of the timing of the application towards the end of the financial year.

4.5 Environmental Implications

There are no identifiable environmental implications.

4.6 Equality Analysis

In preparing this report, due consideration has been given to the Borough Council’s statutory Equality Duty to eliminate unlawful discrimination, advance equality of opportunity and foster good relations, as set out in Section 149(1) of the Equality Act 2010.

A relevance test for equality has been completed. The equality test determined that the award of hardship rate relief has no relevance to Bedford Borough Council's statutory equality duty to eliminate unlawful discrimination, advance equality of opportunity and foster good relations. An equality analysis is not needed.

5. **Details**

- 5.1 The Government has provided guidance which states that whilst a billing authority can reduce or remit the payment of rates where it is satisfied that the ratepayer would sustain hardship if it did not do so and it is reasonable for it to do so having regard to the interests of its Council Taxpayers, any reduction or remission of rates should be the exception rather than the rule.
- 5.2 An application for rate relief on the grounds of hardship has been received from the following business. Detailed information regarding the application is shown in **Appendix A**.

Item	Name of Ratepayer	Address of Property	Amount of Rate Relief Requested
1	Mr G Ciampa & Mrs V Ciampa trading as Cartridge Depot	30 St. Loyes Street, Bedford, MK40 1EP	£5,138.38

6. **Summary of Consultations and Outcome**

The following Council Units or Officers and/or other organisations have been consulted in preparing this report:

Management Group
Head of Economic Development

No adverse comments have been received.

Report Contact Officer: Lee Phanco, Assistant Director (Revenues, Benefits & Customer Service)
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File Reference: L.6(d)

Previous Relevant Minutes: None

Background Papers: None

Appendices: Appendix A – Details of Hardship Rate Relief Application

APPENDIX A

DETAILS OF HARDSHIP RATE RELIEF APPLICATION

Name of Ratepayer: **Mr G & Mrs V Ciampa trading as Cartridge Depot**

Property Address	Period	Relief Requested	Potential Reduction in Retained Rates Yield
30 St Loyes Street, Bedford, MK40 1EP	1/3/12 to 31/3/12	£395.03	
30 St Loyes Street, Bedford, MK40 1EP	1/4/12 to 31/3/13	£4,743.35	
Total		£5,138.38	£2,517.81

Details of Application

The ratepayer commenced trading from 1 March 2012 and the application is in respect of retail shop premises at 30, St Loyes Street, Bedford. The business sells ink and toner cartridges for computer printers to local businesses and the general public both from the shop, which is located in the town centre, and on-line.

The business has submitted a projected profit and loss account for the financial year 2012/13. No statement has been provided to demonstrate that the information has been subject to any independent examination. The information supplied indicates that the business forecasts that it will make a net operating loss during its first year of trading.

An initial application for hardship rate relief from the business was considered by the Portfolio Holder on 26 October 2012. The application was refused because, based on the information available at the time, it was not considered to be in the interests of local Council Taxpayers to make an award of rate relief taking into account the cost to Council Taxpayers and the availability of similar services.

The ratepayer has requested that the Portfolio Holder reconsider the original decision and further information has been provided to support the application. In particular, the business has provided information to demonstrate that it offers specialist services that are not readily available from other retailers in the locality or on-line competitors including;

- A wide range of stock that includes cartridges for older printers rather than a limited range to cater for recently manufacture printers as is generally stocked by non-specialist retailers
- A choice of original, remanufactured or compatible cartridges for a wide range of older model printers offering customers a wider choice of products
- A loyalty discount card offering savings for regular customers

- The ability to offer expert advice to customers face-to-face
- Donations to charities and schools that return empty cartridges

The business has paid **£2,794.38** toward the non-domestic rates due for the property leaving a balance for the period to 31 March 2013 of **£2,344**. An award of rate relief to offset the remaining balance of rates would result in a modest reduction in the Council's retained rates yield of **£1,149** and would alleviate some of the financial pressure experienced by the business in its initial period of trading and assist in securing the longer-term financial viability of the business. In considering an award of hardship rate relief the small reduction in income to the Council should be weighed against the benefits to the local community of maintaining a viable business in the Loyes Street area providing specialist services.