

**BUSINESS RATES AND COUNCIL TAX DISCOUNTS ANNUAL REVIEW**

Report of the Director of Finance (Section 151 Officer)

**1. INTRODUCTION AND PURPOSE OF REPORT**

- 1.1 The council is required to annually review the local scheme of reliefs and discounts which are available in respect of Business Rates and Council Tax.
- 1.2 Regulations allow for certain occupiers of non-domestic properties to be entitled to relief on the Business Rates payable. Some types of relief are mandatory but local authorities can further reduce the amount payable by awarding discretionary relief. Discretionary relief can either “top-up” mandatory relief or be awarded as a stand-alone discount. Stockport has an established set of conditions in which discretionary relief will be awarded.
- 1.3 The council has also agreed Council Tax premium charges in respect of properties that have been empty for 12 months or more, an exemption for care leavers and a localised Council Tax Support scheme, to help working age residents who are on a low income.
- 1.4 This report outlines the current arrangements, and proposed changes as follows:
- Section 2 – Funding Arrangements
  - Section 3 – Business Rates Relief
  - Section 4 – Council Tax Empty Property Discounts & Premiums
  - Section 5 – Council Tax and Care Leavers
  - Section 6 – Council Tax Support
  - Section 7 – Council Tax Discretionary Support
  - Section 8 – Council Tax Base
  - Section 9 – Future Legislative Changes

**2 FUNDING ARRANGEMENTS**

**2.1 Business Rates**

- 2.2 Since April 2017, the council alongside the other Greater Manchester Authorities, entered the 100% Business Rates Retention Pilot. As part of the Trailblazer deal agreed with Government, Greater Manchester Authorities will continue to retain 100% of Business Rates income. Prior to this the council was part of the 50% retention scheme and shared 50% of its Business Rates income with Government. Under the 100% retention scheme the full impact of Business Rates income increases and decreases are borne by the council.
- 2.3 The Business Rates regime includes a safety net to protect local authority revenues should they fall below a certain threshold defined as 92.5% of baseline funding level (under the 50% Retention Scheme) and 97% of baseline funding level (under the 100% Pilot) - (baseline funding level is the benchmark against which Business Rates growth or decline is measured).

An over-generous discretionary relief or discount scheme could contribute to a decline in revenues which is why Government has stated that the impact of such schemes will be considered when calculating entitlement to safety net funding.

- 2.4 The council has no influence over the value of and entitlement to mandatory rate relief and temporary nationally prescribed discretionary relief. As part of the 100% Pilot, the council will incur 100% of the cost (loss of Business Rates income). However, it will continue to be compensated for the loss of Business Rates income as a result of these reliefs via a Section 31 grant from Government.
- 2.5 Any local reliefs are applied after mandatory relief has been awarded. The council can determine the amount of local discretionary rate relief (DRR) made available. As part of the 100% pilot, the council will incur 100% of the cost with no compensation for the loss of Business Rates income as a result. Local discretionary rate relief impacts on the council's future Business Rates income which in turn, impacts on the amount of funding available to support the council's Budget and medium-term financial plan (MTFP).
- 2.6 The 100% pilot means the cost (Business Rates income forgone) to award local Business Rates discounts is borne in full by the council rather than being shared with Government under the 50% retention scheme. This means that using local discretionary rate relief to provide additional support to organisations that the council is already aiding (in either grant or commissioned contracts) is unlikely to be the most appropriate way to provide help. It is clearer and more transparent for any support to be given through grants or commissioned contracts.
- 2.7 **Council Tax**
- 2.8 Since the abolition of Council Tax Benefit in April 2013, the council has been required to agree a localised Council Tax Support (CTS) scheme for working age residents. Funding for this scheme is devolved to local authorities.
- 2.9 In addition, local authorities are also able to set certain local discounts, the cost of these discounts sits with the council. The level of all Council Tax discounts including CTS directly impacts on the council's finances. The impact of any variation to the current arrangements would need to be reflected in the council's Council Tax Taxbase.

### **3 BUSINESS RATES RELIEF**

#### **3.1 Mandatory Relief**

- 3.1.1 The council is required to award mandatory relief to organisations where eligibility criteria is met, such as:
- Registered charities receive 80% relief where the property is occupied and wholly or mainly used for charitable purposes
  - Registered community amateur sports clubs (CASC) receive 80% relief
  - Businesses within a defined rural settlement can receive 100% relief
  - Small Business Rates Relief (SBRR) - businesses with a rateable value (RV) of £12k and below currently receive 100% relief, whilst those between £12k and £15k will receive tapered relief.
- 3.1.2 Private schools currently benefit from 80% mandatory relief as a registered charity. As part of the Autumn 2024 budget statement, the Chancellor announced that relief will be rescinded from 1 April 2025 subject to primary legislation being passed. However,

private schools wholly or mainly concerned with providing education to children with Education, Health & Care Plans will still be eligible for charitable relief.

## 3.2 **Discretionary Relief**

- 3.2.1 The Local Government Finance Act (LGFA) 1988 requires the council to maintain a Business Rates discretionary rate relief scheme of up to 100% to certain organisations who operate within specified criteria. The decision whether to grant relief is at the discretion of each council requiring them to develop their own approach to granting reliefs within the legislative framework.
- 3.2.2 Section 47 of the Act allows relief to be given to organisations that have not been established or conducted for profit. Further regulations have since been implemented which enables the council to grant relief in any circumstances it feels fit. Relief can only be given where the council is satisfied that it would be reasonable for it to do so, having regard to the interests of local Council Tax payers.
- 3.2.3 There may be occasions where a property is only partly occupied for a short period of time. This may be due to a business moving in or relocating to a new property. Section 44A allows the council to use discretion for awarding relief on the unoccupied part of the premises.
- 3.2.4 Under Section 49, partial or full Business Rates relief can be allowed in cases of hardship where it would be reasonable to do so having due regard to the interests of Council Tax payers.
- 3.2.5 Stockport council has previously agreed sets of criteria against which local discretionary rate relief can be allowed. An integrated policy has been developed, which now brings together the conditions for all reliefs that are available against Business Rates, in to one document, which remain unchanged. This is to ensure transparency and consistency in decision making and make clear the application process – Appendix 1.
- 3.2.6 The policy outlines the circumstances in which discretionary rate relief will or will not apply:
- Top-up relief up to 100% for registered charities – Section 8
  - Top-up statutory relief to 100% for some CASC's – Section 9
  - Provision of 50% relief for “not-for-profit” organisations that are neither registered charities nor CASC's – Section 10
  - Businesses within a defined rural settlement where the rateable value for mandatory relief is exceeded but remains below £16,500 – Section 11
  - To encourage large investors which are either new to or significantly expanding within the borough – Section 12
  - In exceptional circumstances which are essential to enable the council to achieve its priorities – Section 13
  - Relief on partly occupied properties based on the rules for standard empty property exemptions – Section 14
  - Hardship relief where the business is experiencing short term financial difficulty – Section 15
- 3.2.7 A table showing the value of discretionary rate relief awarded in 2024-25 to date, is included at Appendix 2.

- 3.2.8 Letting premises to a registered charity continues to remain an attractive option for landlords as a way of avoiding rates on otherwise empty premises. Robust procedures are in place to ensure correct entitlement to mandatory relief. For several years, the council's discretionary rate relief scheme has not included an opportunity for registered charities to apply for additional 20% "Top Up" relief, due to the potential cost to the council which has been estimated to be in excess of £1.45m per annum. However, organisations recognised within the council's priorities will be considered under exceptional circumstances for any additional relief.
- 3.2.9 The government has decided to remove charitable relief for private schools to raise additional revenue. This policy aims to ensure fairness by requiring private schools to contribute their fair share, aligning their tax obligations with those of state schools.
- 3.2.10 **It is recommended that private schools should not be eligible for discretionary rate relief as a non-profit organisation due to the potential cost to the council which is currently estimated at £0.651m.**
- 3.2.11 **It is recommended that members endorse the Business Rates Discretionary Relief Policy for 2025-26 at Appendix 1.**
- 3.3 **Effective dates**
- 3.3.1 Under previous rules, where an application for discretionary rate relief was decided before 1 October it could be backdated to the start of liability or 1 April of the previous financial year (whichever was the most recent). Applications decided after 30 September could only be backdated to the start of liability or 1 April of the current financial year.
- 3.3.2 Where a variation of a decision to award relief needed to be made, a one-year period of notice had to be given, with the change taking effect at the expiry of a financial year.
- 3.3.3 The Non-Domestic Rating Act 2023 removed both the restriction on backdating and variations to discretionary relief awards from April 2024. Awards can now only be backdated to April 2023 at the earliest. However, it is for individual council's to decide on their own policy.
- 3.3.4 **It is recommended that discretionary rate relief under Section 47 of the LGFA 1988 will normally be awarded from the start of the financial year in which the application is made or the date the business became liable for rates, if later. Consideration will be given to backdating relief from the start of the previous financial year where valid reasons are provided for not applying earlier. Relief given under Section 44a on partly occupied premises or Section 49 on the grounds of hardship, will be determined on a case-by-case basis as appropriate.**
- 3.3.5 **It is recommended that discretionary rate relief will normally expire at the end of the financial year in which the award is made or cease from the date liability for Business Rates ends (whichever is the earliest), except where it is granted based on the status of an organisation which is unlikely to change.**
- 3.3.6 **It is recommended that where a business has a change in circumstances, two months' notice will be given to reduce or revoke an award, effective from the date the change occurs.**

### 3.4 **Temporary Relief**

- 3.4.1 The Government can also use Section 47 of the LGFA 1988 to prescribe temporary discretionary rate relief schemes, usually in order to provide support during economic downturns or sector specific aid which is vital for the economy. Any awards are reimbursed to the council via a Section 31 grant.
- 3.4.2 Retail, Hospitality and Leisure (RHL) Relief was first introduced in 2021 under this provision to support businesses financially impacted by Covid-19. The scheme has been extended in subsequent years and for 2024-25, qualifying businesses receive 75% relief, up to £110k per business, subject to subsidy control limits. Awards are made in line with statutory local authority guidance.
- 3.4.3 RHL relief will continue for 2025-26 at a lower level of 40%. Whilst relief is capped at £110K per year, the maximum a business can receive is limited to £315,000 over three years covering the current year and the previous two years in accordance with Minimal Financial Assistance (MFA) threshold. It is estimated that this will result in a reduction totalling £2.7m for Stockport businesses.
- 3.4.4 Business Rates for properties with a rateable value (RV) of £50,999 or less are currently calculated using the small business multiplier, so for every £1 of RV, a ratepayer is required to pay 49.9p in Business Rates (before any relief is considered). The multiplier will be frozen for 2025-26, with the government's intention to introduce 'permanently' low multipliers for RHL businesses from 2026-27. The standard multiplier for businesses with an RV of £51,000 and over will increase in 2025-26 based on the CPI inflation figure for September.
- 3.4.5 **It is recommended that any new applications for Retail, Hospitality and Leisure Relief should be backdated to April 2023 where eligibility exists from that date, in line with para 3.3.3.**

## 4 **COUNCIL TAX EMPTY PROPERTY DISCOUNTS & PREMIUMS**

### 4.1 **Background**

- 4.1.1 There are a number of mandatory exemptions that are available to reduce Council Tax liability in respect of an empty property, which include provision for people moving to a nursing home and time for probate to be granted following a death.
- 4.1.2 Since April 2013, councils have been given the freedom to locally set discounts in relation to empty properties. They also have the discretion to charge an additional premium for owners of unoccupied and substantially unfurnished properties after a certain period. This is referred to as the long-term empty property premium.
- 4.1.3 Premiums are payable in addition to the amount of Council Tax that would be due if the property was occupied. This gives local authorities a legislative tool to incentivise owners to bring unoccupied dwellings back into productive use, while enabling council's to raise additional revenue.
- 4.1.4 The original legislative framework has been amended over time to allow:
- an increase in the long-term empty property premium charges that can be set, from 100% to 200% after 5 years of the property becoming empty, and up to a maximum of 300% after 10 years, from April 2019
  - a premium charge from one year after the date the property first became empty, from April 2024 (previously two years)

- a premium charge on empty and furnished properties, known as the second homes premium, up to a maximum of 100%, from April 2025

4.1.5 There are six property classes where no-one is resident, for which a local discount can be set. These classes are separate to Council Tax valuation bandings (A-H), which are set by the Valuation Office Agency.

#### 4.2 **Stockport Council's empty property discount and premium scheme**

4.2.1 The table below shows the current level of discounts and premium charges in respect of empty properties within Stockport:

Property Type	Empty Property Discount	Premium Charge
<b>*Class A</b> holiday homes and chalets	0%	100% after 1 year 200% after 5 years 300% after 10 years
<b>Class B</b> unoccupied but furnished including second homes	0%	100% after 1 year <i>(from April 2025)</i>
<b>Class C</b> unoccupied and substantially unfurnished	0%	100% after 1 year 200% after 5 years 300% after 10 years
<b>Class D</b> undergoing major repair work or structural alteration	0%	100% after 1 year 200% after 5 years 300% after 10 years
<b>Class E</b> main residence of armed forces personnel	100%	None
<b>**Class F</b> annexes forming part of property	100%	None

\* Class A properties are subject to complex rules. There are no properties of this type currently in Stockport.

\*\* Class E and F properties are exempt by regulation from premium charges

4.2.2 As premiums are applied one year after the date from which the property first became empty and not the date of ownership, charges will often apply immediately upon purchase.

4.2.3 The table below shows the number and total premium charges raised in respect of long-term empty properties during 2023-24:

Council Tax Band	100% charge (after 1 year)	200% charge (after 5 years)	300% charge (after 10 years)
	No' of accounts	No' of accounts	No' of accounts
A	89	19	19
B	67	14	8
C	47	4	5
D	24	5	1
E	17	4	0
F	12	2	2
G	6	3	0
H	1	0	0
<b>Total</b>	<b>263</b>	<b>51</b>	<b>35</b>
<b>Premiums</b>	<b>£294,637</b>	<b>£170,518</b>	<b>£174,820</b>
<b>Total premium charges raised - £639,975</b>			

- 4.2.4 **It is recommended that the council continues with its existing empty property discount and premium scheme as shown in the table at 4.2.1 for 2025-26.**
- 4.2.5 **Members are asked to note that the decision to implement the second homes premium from April 2025 was agreed at the council meeting of 11 January 2024. Therefore, a new decision is not required on this aspect of the scheme for 2025-26. The charges are reflected in the council's MTFP and future year's savings requirement.**

#### 4.3 **Exceptions to Council Tax premium charges**

- 4.3.1 A premium charge will not be made where a Council Tax exemption already applies, for example where the owner is in a nursing home.
- 4.3.2 Government recognises that there are circumstances when it would not be appropriate for long-term empty and/or second home premium charges to apply. A number of exceptions have been prescribed through regulation and local authority guidance has recently been published. This clarifies the level of discretion available to council's in the setting of premium charges and the application of exceptions from 1 April 2025. It also outlines the conditions which must be met in order for a statutory exception to be considered:
- Properties undergoing probate – it is recognised that the period after someone passes away is challenging, especially for those managing the estate. A 12-month exception will apply once probate or letters of administration are granted, providing there has been no change in ownership during this period.
  - Properties being actively marketed for sale or let – a Council Tax premium will not apply for up to a maximum of 12 months where owners are using their best endeavours to bring a property back into use as a sole or main residence.
  - Empty properties undergoing major repairs/structural alterations – No premium charge will be made for up to 12 months. This will also enable first time buyers to get on the property ladder without being faced with increased Council Tax charges. Where major repairs are completed in less than 12 months, the exception will still apply to the dwelling for up to 6 months or until the end of the 12 months whichever is sooner. This exception only applies to long-term empty properties, it does not include second homes.

Exceptions may apply in succession where the dwelling meets the necessary criteria.

- 4.3.3 Under current legislation, the following classes of property are already exceptions to the long-term empty homes premium:
- Class E - homes that are empty where the occupant is living elsewhere for job-related purposes; and
  - Class F - annexes being used as part of a main property

These will also be extended to the new, second homes premium.

- 4.3.4 **It is recommended that exceptions to both the long-term empty and second home premiums are applied in line with published statutory guidance and that a localised policy will be developed during 2025-26 based on learning throughout the year.**

#### 4.4 **Risks & mitigation**

- 4.4.1 Exceptions to premium charges will be applied to long term empty properties from April 2025 that will impact on the additional revenue that was previously raised. This will be offset in part, by the charging of a second homes premium (where not subject to an exception) from the same date.
- 4.4.2 Council Tax charges are the same whether they are empty or not for the first 12 months. Therefore, there is no incentive for owners to report occupation. This may lead to a loss of intelligence around which properties really are empty. Premium charges act as a data cleansing exercise whereby re-occupation is likely to be notified following the receipt of an increased bill.
- 4.4.3 Owners of empty dwellings may re- arrange their affairs to avoid a premium charge by taking advantage of the classes of exceptions or other discounts and exemptions that are available, although the Service has not seen this as a particular challenge previously. Robust guidance will need to place to ensure this continues to be the case.
- 4.4.4 Having no discounts available for empty properties, and the application of premium charges where an exception does not apply, may cause financial hardship for some owners. This risk is mitigated by the provision of a Council Tax Discretionary Support Fund as outlined at Section 7. Since April 2013, only one award has been made under this provision whereby an owner was unable to claim a discount on an empty property they owned. The reduction was applied due to exceptional personal circumstances and because the charges were deemed to have caused extreme hardship.
- 4.4.5 The charge for empty properties is often an area of contention with taxpayers, however very few progress to formal complaint. It was anticipated that changing the timeframe in which a premium can be charged from two years to one year from April 2024 and to introduce a 100% second homes premium from April 2025, would prompt an increase in the number of complaints received. However, this has not been the case and likely attributed to the service writing to taxpayers who were identified as an owner of an empty property, giving advance notice of the changes. Website information was also made clear so that potential purchasers are aware of likely charges up front. Information that forms part of the Council Tax bill is also explicit.
- 4.4.6 One official complaint has been received so far this year in relation to not being able to offer a Council Tax discount for an empty property, which will subsequently result in the application of a premium charge. This reached stage 2 of the corporate complaints process but was not upheld. To aid a resolution, it was agreed that the account would be put on hold until the property is sold.
- 4.4.7 Details of all unoccupied properties are shared with the council's Strategic Housing and Environment Team who use it to target owners to work with them to bring properties back into occupation.
- 4.4.8 The council's website offers comprehensive advice for property owners who need assistance with the disposal of, or to bring empty properties back in to use.

#### 5 **COUNCIL TAX AND CARE LEAVERS**

- 5.1 The term 'care leaver' is defined in The Children (Care Leavers) Act 2000:



**Eligible/relevant child** –aged 16 and 17 and have been in the care of the local authority for at least 13 weeks after their 14th birthday and at least one day of this occurred after their 16th birthday. It is possible for the full 13 weeks (or more) to occur after their 16th birthday.

**Former relevant child/qualifying child** – aged 18 to 21 who were previously 'eligible' or 'relevant'.

**Former relevant child pursuing education** - is any former relevant child whose case was closed, for any reason until their 25th birthday.

- 5.2 Under Section 13(A) of the Local Government Finance Act 1992, the council has the power to reduce liability for Council Tax in relation to particular cases or by determining a class of cases that it may determine and where national discounts and exemptions cannot be applied, the cost of which is borne by the council.
- 5.3 It is recognised that care leavers are a particularly vulnerable group in relation to Council Tax debt. In order to ensure the transition from care to adult life is as smooth as possible, and to mitigate the chances of care leavers falling into debt as they begin to manage their own finances, members have previously agreed a scheme to exempt care leavers from paying Council Tax up to the age of 25. This includes a reciprocal agreement across Greater Manchester Authorities.
- 5.4 Where a care leaver becomes liable for Council Tax at the age of 18, any remaining liability after the award of any nationally prescribed reliefs, exemptions or discounts is currently reduced to zero. The total cost of reductions so far in 2024-25, amounts to £109,129 in respect of 122 care leavers.
- 5.5 **It is recommended that any Council Tax liability for care leavers up to the age of 25 continues to be reduced to zero for 2025-26.**

## **6 COUNCIL TAX SUPPORT**

- 6.1 Council Tax Support (CTS) for those of pension credit age remains a nationally prescribed scheme very similar to Council Tax Benefit, which was abolished in March 2013.
- 6.2 Local authorities are required to devise their own CTS schemes for the working age. Stockport's scheme is shown at Appendix 3, which is also predominately based on the Government's scheme for pension credit age customers and closely aligned to Housing Benefit regulations. This makes it easier to understand and administer.
- 6.3 Council Tax Support costs for both pension and working age schemes currently total £23.6m for 2024-25. This figure will fluctuate during the year due to changes in residents circumstances.
- 6.4 The CTS scheme for working age was established with the aim to provide support for the most vulnerable households, distributing it as widely and equally as practicable based on income, household size and Council Tax band. The scheme is designed on the following principles:
- Entitlement based on the size of the household rather than the Council Tax band of the property the household occupies.
  - Supporting the people who are most in need/ most vulnerable.
  - Maximising the amount of Council Tax collectable.
  - A clear and accessible scheme.

- 6.5 The most significant aspect of the scheme is the cap placed on the Council Tax band when calculating support, which is illustrated in the table below:

<b>COUNCIL TAX SUPPORT – Working age only</b>									
<b>Description</b>	<b>2024-25 (snapshot as at 08/10/2024)</b>								
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	<b>Total</b>
1. Total no' of working age households in receipt of CTS by Council Tax band	8,736	2,710	1,109	378	165	54	16	1	13,169
1a. Of which number are capped to band A liability	0	1,783	657	202	89	21	3	0	2,755
1b. Of which number are capped to band B liability	0	0	433	161	66	27	8	0	695
1c. Of which number are exempt from the band cap	8,736	927	19	15	10	6	5	1	9,719

- 6.6 There are currently 13,169 working age households in receipt of Council Tax Support, of which 74% are exempt from the band cap either because they reside in appropriately sized property, or they are in receipt of Council Tax disabled persons relief. 59% (7,820) of the total working age caseload are receiving a 100% reduction in Council Tax charges due to the level of income and savings held.
- 6.7 Any risk of financial hardship as a result of Stockport's CTS scheme is mitigated by the provision of a Council Tax discretionary support fund outlined at Section 7.
- 6.8 No official complaints regarding the operation or principals of the scheme have been received since its implementation in 2013.
- 6.9 **It is recommended that Stockport's Council Tax Support scheme is maintained for 2025-26 as detailed at Appendix 3.**

## **7 COUNCIL TAX DISCRETIONARY SUPPORT**

- 7.1 Despite the mandatory Council Tax reductions that are available, some residents will still suffer from financial hardship. This can be addressed through Section 13A(1)(c) of the Local Government Finance Act 1992, which enables the Authority to reduce Council Tax liability for individual cases. The cost in terms of forgone Council Tax income is borne in full by the council.
- 7.2 A discretionary support fund was established at the outset of the Council Tax Support Scheme, offset by charges raised from Council Tax empty property premiums, to be distributed to the most vulnerable. The fund mitigates the risk of financial hardship where there is still an amount of Council Tax to pay, including help for those who cannot afford to pay charges in respect of empty properties.
- 7.3 An integrated discretionary support policy previously agreed by members was implemented in 2017-18 to cover all elements of help available for rent and Council Tax, ensuring the consistency and transparency of decision making. Policy objectives include Stockport Care Leavers and the Armed Forces Community as a priority group for assistance.
- 7.4 Short term discretionary awards are made to meet immediate needs and provide time for customers to seek a long-term solution to their financial difficulties. In addition, applicants are signposted and referred for wider support through the council's Resident Advice Service as appropriate.

- 7.5 Between April 2020 and March 2024, help towards Council Tax had been supplemented by Government to support residents who were financially impacted by Covid-19 and more recently, in recognition that Council Tax increases set by local authorities meant some individuals would struggle to meet payments due. The amount of discretionary support offered by the council (income forgone) was adjusted based on the level of government funding available throughout that time.
- 7.6 The council's own discretionary support scheme was set at £0.385m for 2024-25 (capped at £0.5m subject to an in-year review) following the loss of additional government funding. Based on current demand, Council Tax liabilities are not expected to be reduced in excess of £0.385m under this provision.
- 7.7 Whilst it remains essential to support vulnerable residents experiencing financial hardship, it is appropriate that the level of funding available is gradually reduced (subject to close monitoring) with the aim of returning to pre-pandemic levels by 2026-27, allowing Council Tax payers sufficient time to adjust.
- 7.8 **It is recommended that the 2025-26 Council Tax discretionary fund is set at £0.2m (capped at £0.385m subject to an in-year review). The income forgone as a result, will be offset by using the Collection Fund reserve and 2025-26 Collection Fund forecast and monitoring.**
- 7.9 **It is recommended that delegation is given to the Director of Finance in consultation with the Cabinet Member for Finance and Resources to review and adjust the fund during 2025-26, capped at a total fund of £0.385m if required, to support the council's ongoing cost-of-living response.**

## **8 COUNCIL TAXBASE**

- 8.1 The council's recommended 2025-26 Council Tax Taxbase will be presented to Cabinet at its meeting on 10 December 2024 prior to being approved at the full council meeting on 16 January 2025.

## **9 FUTURE LEGISLATIVE CHANGES**

- 9.1 The proposals for the changes contained within this report are based on legislation and statutory guidance at the time of writing.
- 9.2 **It is recommended that delegation is given to the Director of Finance (Section 151 Officer) in consultation with the Cabinet Member for Finance and Resources to consider any subsequent Government announcements that impact on Business Rates and Council Tax reductions for 2025-26, and to decide what changes should be made aligned to legislation.**

## **10 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

- 10.1 Financial implications are contained within the body of the report.

## **11 LEGAL CONSIDERATIONS**

- 11.1 The contents of the report accords with and takes into account the relevant legislation relating to Business Rates and Council Tax.

## **12 HUMAN RESOURCES IMPACT**

- 12.1 These proposals have no impact on Human Resources.

## **13 EQUALITIES IMPACT**

- 13.1 An Equality Impact Assessment regarding Council Tax discounts and premiums for empty properties was last updated on 27/09/23 following changes in line with legislation. This has been further amended to reflect the statutory exceptions that are available against premium charges – Appendix 4
- 13.2 An Equality Impact Assessment in respect of Stockport's Council Tax Support Scheme was last carried out on 03/11/21. There have been no changes to the scheme since.

## **14 ENVIRONMENTAL IMPACT**

- 14.1 An assessment was carried out in 2021, however the none of the schemes outlined in this report have an environmental impact.

## **15 CONCLUSIONS AND RECOMMENDATIONS**

- 15.1 The cabinet is asked to approve the following recommendations:
- That private schools should not be eligible for discretionary rate relief as a non-profit organisation, due to the potential cost to the council which is currently estimated at £0.651m.
  - That the Business Rates Discretionary Relief Policy for 2025-26 at Appendix 1 is endorsed.
  - That discretionary Business Rates relief under Section 47 of the LGFA 1988 will normally be awarded from the start of the financial year in which the application is made or the date the business became liable for rates, if later. Consideration will be given to backdating relief from the start of the previous financial year where valid reasons are provided for not applying earlier. Awards given under Section 44a on partly occupied premises or Section 49 on the grounds of hardship, will be determined on a case-by-case basis as appropriate.
  - That discretionary Business Rates relief will normally expire at the end of the financial year in which the award is made or cease from the date liability ends (whichever is the earliest), except where it is granted based on the status of an organisation which is unlikely to change.
  - That where a business has a change in circumstances, two months' notice will be given to reduce or revoke a discretionary rates relief award, effective from the date the change occurs.
  - That any new applications for Retail, Hospitality and Leisure Relief should be backdated to April 2023 where eligibility exists from that date, in line with para 3.3.3.
  - That the council continues with its existing empty property discount and premium scheme for 2025-26, as shown at paragraph 4.2.1.
  - It is noted that the decision to charge a Council Tax premium on second homes from April 2025 was agreed at the council meeting of 11 January 2024 and therefore a new decision is not required on this aspect of the scheme for 2025-26.

- That exceptions to both the long-term empty and second home premiums are applied in line with published statutory guidance and that a localised policy will be developed during 2025-26 based on learning throughout the year.
- That any Council Tax liability for care leavers up to the age of 25 be reduced to zero for 2025-26.
- That Stockport's Council Tax Support scheme is maintained for the financial year 2025-26 as detailed at Appendix 3.
- That the Council Tax discretionary fund is set at £0.2m for 2025-26, supporting customers facing financial difficulty, with no alternative means.
- That delegation is given to the Director of Finance in consultation with the Cabinet Member for Finance and Resources to review and adjust the fund during 2025-26, capped at a total fund of £0.385m if required, to support the council's ongoing cost-of-living response.
- That delegation is given to the Director of Finance in consultation with the Cabinet Member for Finance and Resources to consider any subsequent Government announcements that impact on Business Rates and Council Tax reductions for 2025-26, and to decide what changes should be made aligned to legislation.

## BACKGROUND PAPERS

There are none

Anyone wishing to inspect the above background papers or requiring further information should contact Andrea Griffiths on Tel: 0161 218 1075 or by email: [andrea.griffiths@stockport.gov.uk](mailto:andrea.griffiths@stockport.gov.uk)