

## EXETER CITY COUNCIL

### SCRUTINY COMMITTEE - RESOURCES 20 JUNE 2012

#### PETITION SCHEME - APPLICATION FOR S49 HARDSHIP BUSINESS RATE RELIEF

#### 1. PURPOSE OF THE REPORT

- 1.1 To consider a petition with 150 signatures in support of an application for hardship business rate relief under section 49 of the Local Government and Finance Act 1988.

#### 2. BACKGROUND

- 2.1 The Council's Petition Scheme ensures that it will properly consider all petitions that it receives. The Council has received an application from 'Dinkys' based in Guinea Street, Exeter asking the Council to grant hardship business rate relief. The nature of the business is a Children's Play Café and the owners of the business have attached a petition in support of their application. The petition to the Council states that 'We the undersigned, petition the Council to: Support Dinkys Play Café's application for business rate relief under section 49 of the local government finance act 1988.'
- 2.2 Under the Council's current constitution and scheme of delegation all applications for hardship and discretionary rate relief are determined by the Assistant Director Finance in consultation with the Leader.
- 2.3 Exeter City Council has discretion to grant hardship relief of up to 100% to businesses who are experiencing hardship. In total, 75% of the cost of this hardship relief is met by Central government, with the Council meeting the remaining 25%. We normally only do this in extreme cases of hardship and for businesses which are particularly important to the local community.
- 2.4 Guidance on the 1988 Local Government Finance Act states that although authorities may adopt rules for the consideration of hardship cases, they should not adopt a blanket policy either to give or not to give relief: each case should be considered on its own merits and the application process kept as simple and streamlined as possible to enable decisions to be made quickly. There is no statutory definition of hardship and it is not confined to financial hardship alone. A general downturn in the economy, such as a recession should not be regarded as sufficient evidence of hardship as it impacts on all businesses.

#### 3. RECOMMENDATION

It is recommended that:

- 3.1 Scrutiny Committee Resources considers the petition and confirms that the application be determined by the Assistant Director Finance in consultation with the Leader.

ASSISTANT DIRECTOR FINANCE

**Local Government (Access to Information) Act 1985 (as amended)**

**Background papers used in compiling this report:**

None

