

2017 Discretionary Business Rate Relief Scheme Policy

1.0 General Explanation

- 1.1 In March 2017, Central Government announced it would make available a discretionary fund of £300 million over 4 years from 2017-18 to support those businesses that face the steepest increases in their business rates bills as a result of the 2017 revaluation. Government determined that Councils would be best placed to determine how this fund should be targeted and administered to support those businesses in the area that are in greatest need.
- 1.2 Every authority in England is to be provided with a share of the £300 million fund to support their local businesses. This fund is to be administered through billing authorities discretionary relief powers under Section 47 of the Local Government Act 1988.
- 1.3 The funding is not provided equally over the 4 year period but as follows:
2017/18 = 58%, 2018/19 = 28%, 2019/20 = 12% and 2020/21 = 2%
- 1.4 Councils are to be compensated for any relief granted under Section 31 of the Local Government Act 2003. It appears that relief cannot be 'vired' from one year to another.
- 1.5 A key criteria is that billing authorities consult on their scheme with major precepting authorities. On approval the Council will consult with North Yorkshire County Council, North Yorkshire Police & Crime Commissioner and North Yorkshire Fire & Rescue Service
- 1.6 The amount of funding is as follows: 2017/18 = £220,000, 2018/19 = £107,000, 2019/20 = £44,000 and 2020/21 = £6,000.

2.0 Applications for Relief

- 2.1 The Council is keen to identify ratepayers who may qualify for the relief and as such will look to encourage certain ratepayers to apply. The Council will look to simplify the application process wherever possible, but it will expect ratepayers to provide such information as is required by the Council to support their application.
- 2.2 The Council has decided that relief under the scheme will be awarded using the following criteria:

- a) The scheme is designed to assist ratepayers who have suffered significant increases in rate liability due to the revaluation and the subsequent increase to their rateable value.
- b) Relief will **not** be awarded where mandatory relief is granted
- c) In assessing potential entitlement to any award under this scheme, the council will compare the rate liability of the ratepayer at 31.03.17 after any reliefs and reductions AGAINST the rate liability of the ratepayer as at 01.04.2017 after transitional and any other reliefs and reductions awarded.
- d) Relief will only be given to premises that are liable for occupied rates. No relief within this scheme will be awarded to unoccupied property.
- e) Relief will only be granted to ratepayers who were in occupation on both 31 March 2017 and 01 April 2017 and for each days subsequently.
- f) Relief maybe awarded for more than one premises as long as **all** other criteria are met.
- g) Relief will not be awarded where mandatory relief is awarded or where the ratepayer has applied for a reduction under S44a of the Local Government Finance Act 1988.
- h) Relief will not be awarded for properties who are wholly or mainly used by:
 - I. Banks and Building Societies
 - II. Accountancy Firms (Accountants & Financial Advisors)
 - III. Betting & Gambling Establishments
 - IV. Cash Machines & ATM's
 - V. Charity Shops (whether Mandatory Relief is given or not)
 - VI. Doctors & GP Surgeries
 - VII. Foreign Exchange Agents
 - VIII. Insurance Agents
 - IX. Pawn Brokers
 - X. Solicitors & Law Firms
 - XI. MOD & NHS
 - XII. Telecommunications hereditament
 - XIII. Sex establishments & Pole Dancing Clubs

2.3 The rules relating to State Aid apply where it is provided in accordance with the De Minimis Regulations (1407/2013). The De Minimis Regulations allow an undertaking to receive 200,000 euros of De Minimis aid in a 3-year period (current financial year and 2 previous years)

3.0 Limitation of increases and the calculation of awards

3.1 The Council has decided that the following awards will be granted for 2017/18:

- I. Where the Rateable Value of the hereditament at 01 April 2017 is less than £100,000 relief will be granted to limit the increase calculated in

paragraph 2.1 to a maximum **8%**. If the increase is 8% or less no relief will be awarded.

- II. Where the Rateable Value of the hereditament at 01 April 2017 is £100,000 or greater the transitional relief % increase will effectively be limited to 20% (as opposed to 42% currently set). If the increase is 20% or less no relief will be awarded.
- III. The Council reserves the right to consider any applications outside of the criteria in I & II above on a case by case basis.

(To clarify for 2017/18 where the conditions are satisfied, properties with a 01 April 2017 Rateable Value of less than £100,000 will have increases limited to 8%:

Properties with a Rateable Value of greater than £100,000 will effectively have their Transitional Relief calculation limited to 20%)

The Council will consider any other applications on a case by case basis).

For 2018/19

- I. Where the Rateable Value of the property at 01 April 2017 is less than £100,000 = the relief awarded in 2017/18 x 50%.
- II. Where the Rateable Value of the property at 01 April 2017 is £100,000 or more = the relief awarded in 2017/18 x 50%.
- III. Any other cases to be continued to be considered on a case by case basis.

For 2019/20

- I. Where the Rateable Value of the property at 01 April 2017 is less than £100,000 = the relief awarded in 2018/19 x 50%.
- II. Where the Rateable Value of the property at 01 April 2017 is £100,000 or more = the relief awarded in 2018/19 x 50%.
- III. Any other cases to be continued to be considered on a case by case basis.

For 2020/21

- I. Where the Rateable Value of the property at 01 April 2017 is less than £100,000 = the relief awarded in 2018/19 x 10%.
- II. Where the Rateable Value of the property at 01 April 2017 is £100,000 or more = the relief awarded in 2018/19 x 10%.
- III. Any other cases to be continued to be considered on a case by case basis.

Relief under this scheme will be applied to a ratepayer accounts as a % reduction of the annual net liability rounded to one decimal place.

4.0 **Appeals**

- 4.1 As with any Discretionary Rate Relief application the ratepayer has a right of appeal against the non-award of this relief.
- 4.2 Any appeal should initially be made in writing (or by email) to the Revenue & Benefits Manager for a reconsideration.
- 4.3 A further appeal may then be made to the Council's Appeals Committee whose decision is final.

5.0 **Revision**

- 5.1 The Council reserves the right to revise the policy on an annual basis (subject to Corporate Board approval) should it be necessary to do so.

Brian Bottle

Revenue & Benefits Manager

August 2017