

Proposed Discretionary Business Rates Relief Scheme**1. Introduction**

1.1 This document identifies the legislation and outlines the guidance for the award of discretionary business rate relief under the funding provided in the Spring Budget 2017 to address exceptionally large increases due to the 2017 revaluation. It is formulated so that any award is fair and consistent and in accordance with the regulations. It will ensure that:

- Procedures and controls are adhered to
- Customers are respected and dealt with equitably.

2. Background

2.1. The Government has undertaken a revaluation of all commercial premises from 1 April 2017. All premises were assigned a new rateable value by the Valuation Office, which is used to calculate the level of business rates charged to the occupier. The last time properties were reassessed was in 2010. The revaluation in 2017 has resulted in some values increasing significantly.

2.2. At the Budget on 8 March 2017, the Chancellor announced that the Government would make available a discretionary fund of £300 million over four years from 2017/18 to support those businesses facing the steepest increases in their business rates bills as a result of the revaluation. The Chancellor stated that local government is best placed to determine how this fund should be targeted and administered to support those businesses and locations within their area that are in the greatest need.

2.3. The Government's intention is that every billing authority in England will be provided with a share of the £300 million to support their local businesses. This will be administered through the Council's discretionary relief powers.

2.4. Under Section 47 of the Local Government Finance Act 1988 the billing authority has the discretionary power to award relief on business rates where "it is satisfied that it would be reasonable to do so having regard to the interests of persons liable to pay council tax set by it".

2.5. The funding is provided over a four year period but decreases proportionately for each year.

2017/18	2018/19	2019/20	21/22
£237,000	£115,000	£47,000	£7,000

- 2.6. Councils will be compensated for any relief granted under section 31 of the Local Government Act 2003.
- 2.7. Billing authorities are required to consult with the major precepting authorities when formulating their scheme.
- 2.8. The DCLG's conditions require the grant to be used to support only ratepayers facing an increase in their bills following revaluation after all other types of adjustments have been applied. They also state " further assume, by and large, more support will be provided to":
- Ratepayers that face the most significant increase in bills
 - Ratepayers occupying lower value properties i.e. properties with a rateable value below £200,000
- 2.9. The rules relating to State Aid apply and these limit the amount of support that may be provided to an undertaking of €200,000 over a three year period.

3. Proposed Scheme

3.1. Discretionary Business Rate Relief

In line with the Government's recommendations following consultation, the Council will provide support only to those ratepayers who are facing an increase in their bills following the 2017 revaluation. This is a condition of the grant. More support will be provided to:

- Ratepayers that face the most significant increases in bills; and
- Ratepayers occupying lower value properties.

3.2. Qualifying Criteria

3.2.1. In assessing potential entitlement to relief under this scheme the Council will compare:

- The rate liability of the ratepayer as at 31 March 2017 after any reliefs and reductions; and
- The rate liability of the ratepayer as at 1 April 2017 after any reliefs and reductions.

3.2.2. Relief will be awarded where:

- The charge at 1 April 2017 is greater than the charge at 31 March 2017, subject to the conditions detailed below at 3.3.
- The ratepayer was in occupation on 31 March 2017 and 1 April 2017.

3.2.3. Relief **will not** be awarded in the following cases:

- Any property where there **has not** been an increase in bills following revaluation.
- Any property with a rateable value over £200,000.
- Any property that is empty/ unoccupied.
- Any property where the ratepayer took up occupation after 1 April 2017.
- The ratepayer is in receipt of any sort of relief, such as mandatory or discretionary relief, rural rate relief, partially occupied relief, small business rate relief, supporting small business relief.

3.2.4. In addition, relief **will not** be awarded to properties that are wholly or mainly occupied by:

- The Billing Authority (Bolsover District Council).
- Precepting authorities i.e. Derbyshire County Council, Derbyshire Police Authority, Derbyshire Fire Authority and Parish Councils.
- Government departments, government agencies and other similar supported bodies funded from the public purse.
- Financial services including banks, building societies, cash machines, ATMs, foreign exchange bureaus, betting shops, pawn brokers, cheque encashment and pay day lenders.
- Other services including estate agencies, letting agents, employment agencies.
- Charity shops.
- Medical services, including doctors' surgeries/ hospitals. dentists, osteopaths, vets.
- Professional services, including solicitors and law firms/ agencies, accountants, insurance agents/ financial advisers, tutors.
- Telecommunication hereditaments including cable and networking.
- Power generators.

3.3. Calculation of relief

3.3.1. There will be six bands as below dependent upon the amount of increase in the rate bill. The scheme is itemised below for the four years from 2017/18 to 2020/21. The scheme differs each year in accordance with the reduced funding.

2017/18

£100.00 or less	Full relief
Between £100.01 and £600.00	Full relief
Between £600.01 and £1500.00	£600.00
Between £1500.01 and £3000.00	£1000.00
Between £3000.01 and £4000.00	£1500.00
Over £4000.01	£2000.00

2018/19

£100.00 or less	No relief
Between £100.01 and £600.00	Relief reduced by 50%
Between £600.01 and £1500.00	£300.00
Between £1500.01 and £3000.00	£500.00
Between £3000.01 and £4000.00	£750.00
Over £4000.01	£1000.00

2019/20

£100.00 or less	No relief
Between £100.01 and £600.00	No relief
Between £600.01 and £1500.00	£150.00
Between £1500.01 and £3000.00	£250.00
Between £3000.01 and £4000.00	£325.00
Over £4000.01	£500.00

2020/21

£100.00 or less	No relief
Between £100.01 and £600.00	No relief
Between £600.01 and £1500.00	No relief
Between £1500.01 and £3000.00	No relief
Between £3000.01 and £4000.00	£50.00
Over £4000.01	£150.00

3.4 Notice Periods

The Non Domestic Rating (Discretionary Relief) Regulations 1989 (S.I. 1989/1059) require the Council to provide ratepayers with at least one year's notice in writing before any decision to revoke or vary a decision so as to increase the amount of business rates the ratepayer has to pay takes effect. Such a revocation or variation of a decision can only take effect at the end of a financial year.

Within the Government regulations, local authorities may still make decisions that are conditional upon eligibility criteria or rules for calculating relief that allow the amount of relief to be amended within the year to reflect changing circumstances. Therefore, in the event of a change in circumstances, including a change to the rating list for the property concerned, retrospective or otherwise, the relief can be recalculated if the rateable value changes. No additional relief will be granted as a result of the rateable value increasing on or after 1 April 2017.

3.5 State Aid

State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is

likely to amount to State Aid. However, the support to ratepayers will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/ 2013).

The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).

To administer De Minimis the Council needs to establish that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid.

3.6 Managing the Process

Any consideration to award a business rate relief under this policy must meet Central Government's criteria set out in this policy. All applications will only be considered after the signing of the State Aid declaration form and there must be some evidence that the increase in business rate liability will cause financial hardship. The financial support drops dramatically over the four years that the Government is funding.

Applications must use the standard form with additional supporting information attached.

It is a discretionary scheme and there is no right of appeal on any decision made.

3.7 Delegation

The Billing and Recovery Manager will ensure that sufficient information is provided to enable a decision to be made.

The Billing and Recovery Manager will determine whether to award discretionary relief.

3.8 Notification of Decision

The Council will notify the applicant of the decision within 10 days of the determination. The notice will state the period of relief/ discount.