

Appendix 1 - Draft Revaluation Support scheme - discretionary business rate relief 2017/18 to 2020/21

Introduction

This document sets out the Council's proposals for a discretionary business rate relief scheme (Revaluation Support) for the financial years 1 April 2017 to 31 March 2021.

This draft scheme is subject to consultation and revision following any further guidance from central government on the administration and financing of the relief scheme.

The draft scheme

1. The revaluation support scheme will apply for the year 1 April 2017 to 31 March 2021 only. The support scheme will deliver business rate relief to qualifying ratepayer's bills where these have increased due to the 2017 revaluation. The maximum award is £5,000.

The government has made an allocation to the council to distribute over the four years. The total is £2.3m.

Where an award is made, and there is a subsequent change to a ratepayer's bill, the amount of their relief will be reduced or removed accordingly, where

- a reduction in rateable value in the 2010 and, or 2017 rating lists
 - the provision of a certificated value for the 2010 rating list or historical change
 - the application of any additional rate relief or exemption
 - vacation and re-occupation of the property.
2. Ratepayers who may benefit from the Scheme will be in occupation of a property with a rateable value of up to £150,000 and will fall into one of the categories listed below:
 - Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets)
 - Charity shops
 - Opticians
 - Post offices
 - Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
 - Car/ caravan show rooms

- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)
- Shoe repairs/ key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/ TV/ domestic appliance repair
- Funeral directors
- Photo processing
- DVD/ video rentals
- Tool hire
- Hair and beauty services

The following will only be eligible where they have been awarded an accreditation under the Healthier Catering Commitment, as defined by the Chartered Institute of Environmental Health.

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bars

3. The following types of uses are not eligible for Revaluation Support.

- Telecommunication masts and equipment
- Advertising rights
- ATMs
- delivery lockers
- public toilets

Properties that are being used for the provision of the following services to visiting members of the public:

- Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, betting shops, amusement arcades, pawn brokers)
- Other services (e.g. estate agents, letting agents)#
- Professional Services (e.g. solicitors, accountants, insurance agents/financial advisers, tutors)
- Post office sorting office

Properties where any of the following apply:

- Properties that are operated by the same organisation / business. This applies where the business runs three or more properties in the U.K or in the U.K and overseas.
- Ratepayers in receipt of re-occupation relief in 2016/17 and / or 2017/18.
- Ratepayers in receipt of small business rate relief support which limits increases on small properties caused by the loss of small business rates relief to £600.
- Properties which were not on the rating list at 1 April 2017. (Relief will not apply where properties are entered into the list retrospectively).
- Ratepayers that were not liable for business rates in the year 2016/17
- Properties which are unoccupied. Relief will be apportioned for properties subsequently occupied.
- Properties where any arrears due from 2016/17 or earlier are not cleared by 31/05/17 or by arrangement with the Council.
- Where the award of relief would not comply with EU law on State Aid.

The ratepayer will be required to confirm that they have not received any other State Aid that exceeds in total €200,000, including any other rates relief (other than exemptions, transitional or mandatory reliefs) they may be granted for their premises.

4. How the proposed Revaluation Support is calculated:

The support will be calculated after any or all of the following have been applied:

- Exemptions
- Mandatory or discretionary reliefs
- Transitional reduction

and before the application of the Business Rates Supplement. Revaluation Support will not apply to the supplement.

5. Value of the Revaluation Support in 2017/18

All businesses facing an increase in rates from 2010 to 2017 Valuation lists will be subject to an inflationary increase of 2 percent. Beyond that transitional relief will limit the increase to 5, 12.5 or 42 percent for small, medium or large businesses respectively. Revaluation Support will only apply after transitional protection.

The maximum percentages of revaluation support available on the net rates bill after the reliefs and exemptions described above and before the business rates supplement are shown below:

Small Properties – with rateable value up to £28,000

Increase in Rates Bill	Revaluation Support payable
3% - 3.99%	1%
4% - 4.99%	2%
5% - 5.99%	3%
6% - 6.99%	4%
7% and over	5%

Medium Properties– Rateable Value £28,001 to £100,000 (excludes business rate supplement)

Increase in business rate bill	Revaluation Support payable
5% - 6.99%	3%
7% - 8.99%	5%
9% - 9.99%	7%
10% - 11.99%	8%
12% and over	8.5%

Large Properties – Rateable Value of £101,000 to £150,000 (excludes business rate supplement)

Increase in business rate bill	Revaluation Support payable
10% and over	5%

The maximum award is £5,000 per property in 2017/18.

6. Value of the Revaluation Support in 2018/19, and 2019/20

The relief awarded in year 2018/19 will be 50 percent of the relief made in 2017/18.

The relief awarded in year 2019/20 will be 50 percent of the relief made in 2018/19.

- 7.** In the event that the value of the grant received (£2.3m) is exceeded, no further applications will be considered unless funds are returned to the allocation pot due to changes in the amount of relief awarded, eg due to a vacation of the property and change of ratepayer..
- 8.** A discretionary pot of £40,000 (the allocation from central government) will be established and applied in the fourth and final year of the scheme 2020/21 to allow for any exceptional cases to be supported at that time.