

# **South Holland District Council**

## **Locally Administered Business Rate Relief Scheme (Spring Budget 2017)**

### **Overview**

This document sets out the Council's policy in relation to locally administered business rates relief under the scheme and funding announced in the Spring Budget 2017.

Administered as a discretionary relief in accordance with section 47 of the Local Government Finance Act 1988.

## **Locally Administered Business Rate Relief Scheme (Spring Budget 2017)**

### **Guidelines**

These guidelines set out the Council's intentions for dealing with the new discretionary rate relief for businesses most affected by the 2017 Business Rates Revaluation.

This scheme seeks to provide a transparent, fair and consistent approach to affected businesses across the district to the award of rate relief. There is no differentiation between types of business, and all businesses that meet the eligibility criteria will be awarded relief.

Business Rates remain due and payable in accordance with the most recent bill, until such time as any relief is awarded.

### **The scheme**

In 2017/18 business ratepayers facing an increase in their rates bill as a result of the revaluation will have the increase limited to £600 where the ratepayer meets qualifying criteria.

Entitlement to discretionary relief is determined with reference to an increase in the rates bill due to the April 2017 revaluation.

This locally administered relief will be calculated and awarded after all other relief that the ratepayer is entitled to has been applied to the rate bill.

Ratepayers will be notified of the amount of local discretionary rate relief by the issue of a new rates bill.

The level of financial support drops dramatically across the 4 years that the Government is funding, and businesses need to be aware, and prepare for, an increasing business rates liability each year from 2018/19.

Awards of relief will be for one year only; the qualifying criteria will be reviewed in the final quarter of each year of the scheme to determine level of relief for the forthcoming financial year.

The available funding will be reviewed within the financial year and the Council through delegated authority reserves the right to revise or extend the scheme within a financial year, subject to the extent of funding available.

### **Qualifying Criteria**

Eligible Ratepayers will: -

- Be in occupation of a qualifying business property on 31 March 2017 and 1 April 2017,
- Have an increase in the net amount of rates payable (the amount after all relief and other reduction has been applied) on 1 April 2017 compared to 31 March 2017 as a result of the 2017 revaluation.

A qualifying business property will: -

- Have a Rateable Value (RV) on 1<sup>st</sup> April 2017 of less than or equal to £100,000.

The following will not be eligible under this scheme: -

- Properties that are empty.
- Charities, non-profit making organisations
- Schools, including academies, voluntary aided, voluntary controlled, church or grant aided.
- Local and Precepting Authorities
- Ratepayers where the award would mean a business exceeds state aid de-minimus level (currently €200,000).
- New occupiers who take on a qualifying business property on or after 1 April 2017.

### **Changes in liability will affect this relief**

Eligibility for the relief will be assessed and calculated on a daily basis. Relief will be adjusted, including retrospective adjustment, in cases where the amount of rates payable changes.

All qualifying businesses and organisations are required to notify the Council of any change in circumstances that may affect their entitlement to Discretionary Rate Relief.

If a business moves address within the period that they are receiving rate relief (whether within or outside of the district), relief will not be carried forward to the new property as the business will have had an opportunity to consider the rates before moving. The relief is intended to cushion the effects of the revaluation only.

### **Application for Locally Administered Business Rate Relief**

Those business that have been identified as potential recipients for this relief will be contacted directly and invited to make a written application and complete a state aid declaration.

### **Period of Award**

The award period will be for a period of no more than 12 months and in any case will end on 31 March of the relevant financial year. Continuation of relief will be subject to annual review of the scheme, in line with the level of funding available until such time as the scheme ceases.

Qualifying businesses will be notified of the amount of the Discretionary Rate Relief award by the issue of a new Rate Demand Notice. The rate relief will be awarded by means of a reduction in liability shown on the business rates bill issued to the ratepayer.

## **Annual Review of Relief Award**

The Guidelines will be reviewed yearly and qualifying businesses and it is intended that businesses will have relief automatically granted for the next financial year. The amount will be shown on their annual rates bill.

## **State Aid**

Applicants for local discretionary rate relief will be required to sign a declaration to confirm that, including this relief award, they will not have received more than €200,000 in total of De Minimis aid within the current financial year, or the previous two financial years.

Further information on State Aid can be found at <https://www.gov.uk/state-aid>

## **Hardship**

This scheme includes provision for hardship relief applications to be made by ratepayers facing hardship as a direct result of an increase in their rates bill due to revaluation, and who is in occupation of a property with a Rateable Value less than or equal to £200,000.

Applications must be made in writing and provide supporting information and evidence, including copies of accounts. Each case will be considered on its own merit, and in order to reach a decision further information might be requested.

## **Decision Making**

The scheme will be administered by the Business Rates team. Decisions in respect of applications for Locally Administered Business Rate Relief will be made by officers.

## **Complaints and Appeals**

Although there is no legal right of appeal against a discretionary rate relief decision, in keeping with good customer care practice and principles of open government, this policy provides a mechanism for review of any decision

If a ratepayer is unhappy with the decision made, full details should be submitted, in writing to the Business Rates Team within 30 days of notification of the decision.

The case will be reviewed independently of the original decision, and where the outcome remains the same the matter will be referred to the Portfolio Holder for Finance for further consideration.

We aim to conclude any review within 30 days.