

## BUSINESS RATES DISCRETIONARY REVALUATION RELIEF SCHEME 2017-18

### 1.0 Introduction

- 1.1 Business Rates are a tax charged on non-domestic properties. The amount payable is determined by a Rateable Value (RV) set by the Valuation Office Agency (VOA) and a nationally set multiplier. The size and use of the premises, along with open market rental data, are used to establish this RV.
- 1.2 VOA is required to undertake a revaluation of RV data every five years, although in 2015, this was delayed for two years by the Government, to 2017. This programme of review ensures that rateable values are set at an appropriate level, reflecting the current economic climate and value of properties on the rating list.
- 1.3 The outcome of the revaluation saw some businesses' RV increase. As a result, the Government introduced a number of measures to support those affected including establishing a £300 million local discretionary relief scheme for local authorities to support those businesses facing the steepest increase in their Business Rates bills.

### 2.0 Funding

- 2.1 Huntingdonshire District Council's (HDC) allocation of the Government's funding is £592,000 spread over the next four years.

Amount of discretionary grant (£000's)					
	2017-18	2018-19	2019-20	2020-21	Total
	£000	£000	£000	£000	£000
HDC	345	168	69	10	592

- 2.2 The funding allocation was calculated taking into account the total rate increases for properties where the bill increased by more than 12.5% following revaluation and the RV is less than £200,000.

### 3.0 Financial Impact

- 3.1 Under the 50% Business Rates retention system, the reduction in receipts resulting from the revaluation relief will generally result in a reduction in local authorities' Business Rates income of 50% of the value of the relief.

- 3.2 The Government will reimburse HDC for the cost of providing the relief through a grant under section 31 of the Local Government Finance Act 2003 up to the maximum amount of grant.

#### **4.0 Legal Requirements**

- 4.1 The Scheme will be administered through billing authorities' discretionary relief powers under section 47 of the Local Government Finance Act 1988.

#### **5.0 Principles of scheme**

- 5.1 The scheme is based on the Government's principles and assumptions used in the distribution of the grant funding but also takes account of Members' views and those obtained through a consultation exercise with major preceptors and the combined authority.
- 5.2 The aim of the scheme is to provide relief to local businesses who faced the steepest increases in their Business Rates bill as a result of the revaluation in April 2017 and is based on the following principles:
- the business was liable for Business Rates on or before 31 March 2017. Retrospective additions to the list will not be considered;
  - the rateable value for 2017/18 is less than £200,000;
  - the increase in the rateable property's 2017/18 bill is more than 12.5% compared to its 2016/17 bill (before reliefs);
  - the property is occupied;
  - the business is not part of a national or global organisation;
  - the award must comply with State Aid requirements;
  - relief will be apportioned on a daily basis if the occupier vacates the property or a change in circumstance renders them ineligible for relief;
  - any relief will be calculated after all other reliefs have been applied and will not exceed the rate liability for the year.
- 5.3 The amount of relief awarded to each qualifying business will be determined by the number of eligible businesses and be granted by reducing the Business Rates bill by a percentage. The cost of the scheme will not exceed the grant allocation.
- 5.4 An amount of the Government funding is to be retained to make awards to businesses adversely affected by the revaluation that do not meet the criteria above. Such decisions would be made on a case-by-case basis.

## **6.0 Period of relief**

- 6.1 Relief given under this scheme will be granted for the period April 2017 to March 2018.
- 6.2 The Non-Domestic Rating (Discretionary Relief) Regulations 1989 require local authorities to provide ratepayers with at least one year's notice in writing before any decision to revoke or vary a decision that increases the amount of Business Rates payable. However, a local authority may still make decisions which are conditional upon eligibility criteria which allow the amount of relief to be amended within the year to reflect a change in circumstance.

## **7.0 Calculation of relief**

- 7.1 The relief will be apportioned on a daily basis to account for changes that may occur during the award period such as the occupier vacating or a change in circumstances that would make the business ineligible for relief.

## **8.0 Notification of decision**

- 8.1 Ratepayers will be notified that the relief has been awarded to them by issuing a revised Business Rates bill and a letter setting out the criteria used to award the relief.

## **9.0 Right of appeal**

- 9.1 There is no statutory right of appeal against a decision not to award relief under this scheme as the award is discretionary. However, where a decision has been made not to award relief, the ratepayer can request a review of that decision.
- 9.2 The request must be made in writing and include reasons for the request along with any supporting documentation. The review will be carried out by the Head of Customer Services.