

Locally Administered Business Rate Relief - Guidance

Background

South Holland has been allocated £295,000, of a £300million national pot made available by the Government; to design a local discretionary rate relief scheme to support those businesses it felt had been most adversely affected by the revaluation. The allocation of funding by year is: -

2017-18	2018-19	2019-20	2020-21	2021-22
£172,000	£84,000	£34,000	£5,000	Nil

In line with Government recommendation, the Council will provide support only to those ratepayers who are facing an increase in their rates bills following revaluation.

This scheme has been developed in line with the Government guidance and assumptions in terms of businesses that should be supported, i.e. that support will be provided to ratepayers that face increases in their rate bill, and occupy lower value properties.

South Holland's policy seeks to provide a transparent, fair and consistent approach to 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 up to the same maximum level of relief.

The scheme

In 2017/18, the scheme will award relief to all businesses that meet the qualifying criteria to limit the increase in rates resulting from the revaluation to £600, after all other reliefs and exemptions have been applied.

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

The scheme will continue over the four year period, 2017/18 – 2020/21 with each year's amount of relief reducing in proportion to the reduction in Government funding. Relief is awarded to 31 March for each financial year.

2017/18	2018/19	2019/20	2020/21	2021/22
	(49% of 2017/18)	(41% of 2018/19)	(14% of 2019/20)	Full Rates payable

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

The policy provides for review and revision to the scheme for each financial year to ensure the Council can maximise its support to businesses within the funding provision.

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 1st 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.

Application for Locally Administered Business Rate Relief

For amounts of relief less than £50 – awards will be applied automatically except where there are concerns over state aid implications.

For amounts of relief of £50 to the maximum award, written applications are required on the approved application form.

State Aid

Applicants for local discretionary rate relief will be required to sign a declaration to confirm that, including this relief award of up to £1,000, 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>

Decision Making

Decisions in respect of applications for Locally Administered Business Rate Relief will be made by officers.