

## **Craven District Council Business Rates Revaluation Relief Scheme**

Craven DC has agreed to award an additional amount of rate relief to those smaller organisations that are facing an increase in the business rates they have to pay because of the revaluation. Initially for one year from 1 April 2017, but to be extended further on a pro rata basis linked to reducing Government funding to 2020/2021.

The Government have made it clear that any relief awarded should only support smaller ratepayers who are facing an increase in their bills following the 2017 revaluation

### **Scheme Design Principles.**

Administration of discretionary schemes can be difficult so keeping the scheme simple will minimise the administrative burden on Craven District Council whilst also making it easy to understand for ratepayers.

- There is a national transitional relief scheme which already provides some protection for ratepayers having increases in rates payable depending on the size of their property. Three bands are used to do this, small, medium and large.
- It is proposed to allow relief to those in the small and medium bands as 98% of properties are within these 2 bands, and on the basis that business with large properties are better placed to absorb any steep rise in rates. This means that relief will only be available to those with a rateable value of up to £100,000 which also matches the Governments ambition that relief is only available to smaller ratepayers.
- All national, statutory reliefs and exemptions will be applied before any calculation for Discretionary Rate Relief can be considered.
- All other relief schemes, including the recently announced additional small business relief and public house relief must be deducted, before applying the percentage reduction. This will maximise the funding available.
- Reductions under this scheme will not be granted to ratepayers who have not applied for all other available relief e.g. small business rate relief.
- Relief under this scheme will be automatically identified and applied to accounts based on the information held on the Non Domestic rating database. It is possible that some eligible ratepayers will not be correctly identified so applications will be accepted from those who do not have the relief automatically applied and are found to satisfy the conditions of the scheme.
- The Chief Finance Officer will authorise the amendment of award limits (in year; and for each new financial year) to ensure the total relief awarded does not exceed Government funding.

## The Local Scheme

- Eligible ratepayers are defined as having:
  - a) a maximum 2017 rateable value of £100,000 and
  - b) had an increase of at least £150 in the annual occupied rate liability of the property based on the 2017 revaluation or any increase if in receipt of discretionary charity relief.
- In 2017/18, the scheme will award all eligible ratepayers 100% of the increase in Non-Domestic Rates due to the revaluation from 2016 to 2017 to a maximum amount of £1,000. Eligible ratepayers who have an increase in rates exceeding £1,000 will receive relief of £1,000. The award is applied to the account and calculated based on the net amount of rates charged after all national, statutory reliefs and exemptions have been applied.
- Relief under this scheme will follow the property, i.e. new business will receive relief if they take on a qualifying property part way through the year. Relief will also be adjusted if the amount payable changes.
- Expenditure under this relief scheme will not exceed the maximum grant allocated by Central Government for each year .
- 15% of the grant has been allocated for:  
Eligible ratepayers that are run entirely by volunteers and have a discretionary charitable relief. Such charitable organisations are considered financially hard pressed and will be awarded the appropriate amount to top up their existing reliefs to 100% from 90% (80% mandatory and 10% discretionary relief).

and

Eligible ratepayers, who have not been awarded £1,000 under the pub relief scheme or received the Supporting Small Businesses Relief (SSBR) scheme and have seen a reduction in their rural rate relief due to the 2017 revaluation will be awarded the lower of :

- a) a maximum of £1,000 or
  - b) equivalent amount to the aggregate reduction in rural relief and change in rateable value if less than £1,000.
- A provision of 15% of the grant will be available for applications (made via the official Craven DC application form) from eligible ratepayers who:
    - a) haven't been automatically identified as an eligible ratepayer and satisfy the conditions of the scheme, or
    - b) whose award does not cover 100% of the increase in Non-Domestic Rates due to the revaluation from 2016 to 2017 and can demonstrate that they are experiencing severe hardship as a result of 2017 revaluation for additional relief to be awarded.In addition to a) and b) above applications for additional relief to be awarded can be made by ineligible ratepayers with a maximum 2017 rateable value of up to £100,000 who can demonstrate that they are experiencing severe hardship as a result of 2017 revaluation

- **Exclusions.**
- Properties that are empty will not be eligible whilst empty as they do not add to the prosperity of the district or sustain employment for local people.
- Properties that have already been awarded £1,000 under the pub relief scheme or received the Supporting Small Businesses Relief (SSBR) relief are excluded from this scheme.
- Legislation prevents the award of any relief to properties occupied by Local or Precepting Authorities and State Schools. Craven DC, North Yorkshire County Council, Parish Councils, Police and Fire Services are ineligible.
- No relief can be awarded if it would mean an organisation exceeds the state aid de-minimus level (currently €200,000 over 3 years).
- **Right to Appeal**  
There is no statutory right to appeal against a decision under Section 47, other than Judicial Review. An applicant may make a request for the decision maker to review a decision but only where either: -
  - Additional information that is relevant to the application and that was not available at the time the decision was made becomes available, or
  - There are good grounds to believe the application or supporting information was not interpreted correctly at the time the decision was taken.
  - A request for a review must be made within four weeks of notification of the decision and must set out the reasons for the request and any supporting information.

## **Craven District Council Business Rates Revaluation Relief Scheme – FAQ's**

### ***Q. Why is the local relief scheme only for small and medium Rateable Value (RV) properties?***

- The Council is looking for a simple scheme that is easy to administer
- The scheme mirrors the existing Transitional Relief (TR) statutory thresholds for small and medium properties. This means that relief will be available to those with a rateable value of up to £100,000.
- The criteria matches the Government's ambition that relief is only available to smaller sized ratepayers (This assumes that business with large properties may be better placed to absorb the existing rise in rates without additional support.) Out of 3140 business properties this limit only excludes 65.

### ***Q. How will different funding levels be dealt with each year?***

- The Council reserves the right to amend the award limits awarded (in year; and for each new financial year) based on any additional information, the level of grant funding and/ or legislative change or guidance.

### ***Q. Are any properties specifically excluded from the scheme?***

- State schools, Council buildings, Police and Fire authority premises are excluded due to section 47 of the Local Government Act 1988.
- Empty properties are excluded from the scheme; therefore relief can only be awarded if the property is occupied and trading.
- Large RV properties as defined by the existing national TR scheme are excluded.
- Multi-National companies have been excluded due to the State Aid restrictions.

### ***Q. Will the relief end if the occupier changes in a property?***

- The relief will follow a property, i.e. new occupiers will also receive the relief up to 31 March.

### ***Q. Will business rate accounts be adjusted after the relief is awarded if there is a change in circumstances? (i.e. backdate RV reductions, additional relief awarded, or property vacated etc.)***

- Yes the business rate charge will be amended due to any changes in circumstances where it would affect the level of relief awarded. The effective date would be the date of change.

### ***Q. Can awards be made for the same company with more than one property?***

- Yes, the proposal is to award a set amount for all increases in Rates after all reductions and reliefs have been awarded.
- It is not the intention to make any award to those that will be affected by the state-aid provisions. However, if an award is made, then the organisation is responsible for notifying the Council to this effect.

### ***Q. What will happen if we don't spend or use up all of the proposed funding?***

- The government have confirmed that underspends cannot be moved between years.