

## **Business Rates Revaluation Discretionary Relief Scheme 2020/21**

### **Introduction**

In the March 2017 Budget, the Chancellor of the Exchequer announced that £300 million was being made available to support those businesses most affected by increases in their business rates bills as a result of the 2017 revaluation.

The government believes that local authorities are best placed to judge the circumstances of local ratepayers and allocate the funding where it is most needed to support local economies. Therefore, the fund has been allocated to billing authorities to administer the support through locally designed discretionary relief schemes.

The £300 million, allocated over a four year period, has been calculated based on the increases in net rateable values locally as a proportion of the increases in bills nationally.

Stockton Council's allocated funding is:

<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
£241,000	£117,000	£48,000	£7,000

### **Outline of the scheme**

The scheme has been designed to:

- Minimise bureaucracy for businesses and for the council;
- Take account of the basis on which the Government has calculated the council's allocation of funding;
- Take account of other existing reliefs that are already available as a result of legislation or Government decisions;
- Minimise the potential for breaching State Aid limits (State Aid rules apply and these limit the amount of support that may be provided to an undertaking to €200,000 over a three year period);
- Take account of businesses' likely 'ability to pay'; and
- Provide support for businesses that contribute to the local economy.

Support will be targeted at ratepayers who have a rateable value of below £200,000 in the 2017 rating list and are facing an increase of 5% or more in their business rates bills, as a direct result of the 2017 revaluation.

Relief will only be granted to properties occupied from the 1 April 2017 and for the period they remain occupied by the same ratepayer.

No applications will be required. The Council will automatically apply relief where the eligibility criteria are met. This approach to awarding revaluation support has benefits for businesses because they do not need to pay for rating agents to make applications on their behalf.

The Council will calculate the relief for any eligible business and send out an adjusted bill automatically. Any business that is unhappy with how the scheme has been operated can make representations, which would be considered and might lead to a revised decision on eligibility for support. This will be handled by the Revenues and Benefits Manager in consultation with the Economic Growth Manager, without the need for a complicated or costly appeals mechanism.

In order to mitigate the risk that State Aid limits might inadvertently be breached, recipients will be asked to contact the Council if the support causes or might cause issues under State Aid rules. In these circumstances, the Council reserves the right to review or remove revaluation support.

The Council will focus support on trading local businesses. This will maximise the number of local businesses that would qualify, whilst minimising or avoiding State Aid issues.

For the year 2020/21, the level of relief awarded to qualifying ratepayers will amount to 12% of the increase in the net rates payable.

The calculation for the increase in net rates payable will be based on the net occupied rates payable for 2019/20 and the net increase in rates payable for 2020/21, after all other applicable reliefs and exemptions (e.g. transitional relief, small business rate relief, retail discount etc) have been taken into consideration.

#### **Exclusions to the scheme**

- Hereditaments where there has not been an increase in bills following revaluation
- Hereditaments with a rateable value of £200k or over
- A national chain or organisation that occupies multiple hereditaments
- Hereditaments where the ratepayer is Stockton Council (or any other billing or precepting authority)
- Charities and registered community amateur sports clubs that are already in receipt of 80% mandatory relief
- Public funded organisations including doctors' surgeries and any NHS establishment.
- Schools
- Betting shops
- Ratepayers occupying hereditaments after 1 April 2017
- Hereditaments which were not on the rating list at 1 April 2017 (relief will not apply where properties are entered into the list retrospectively)
- Unoccupied hereditaments

### **Period of award of Revaluation Relief**

Relief will only be awarded up to the end of the financial year or the date the ratepayer's liability ends – whichever is sooner.

There will be no revocation and there is no requirement to provide 12 months' notice to end the relief awarded. Therefore, in order to meet the requirements of Regulation 2 to SI 1989/1059, all ratepayers who receive Revaluation Relief will be informed, at the time that relief is granted, that it will only be awarded to the end of the financial year in question.

### **Other conditions of the scheme**

The Council will recalculate eligibility for revaluation support in the event of a change to the rating list that affects an eligible property, whether retrospective or otherwise. For example, this might happen if the rateable value is changed because of a successful proposal or appeal.

The Council reserves the right not to award additional relief in the event of a change to a property's rateable value, having regard to the total amount of Government funding being made available for revaluation support.

Where a qualifying ratepayer's rates bill is reduced for any of the following reasons, the amount of their relief will be reduced or removed accordingly:

- A reduction in the rateable value in the 2017 rating list
- An increase in the rateable value in the 2010 rating list
- 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.

In exceptional circumstances, the Council will consider an application outside of the standard process.