

Redditch Borough Council – Discretionary Revaluation Support Scheme

Background

- 1 Following the national revaluation of non-domestic rates premises the Government announced a discretionary fund of £300m over four years from 2017/18 to support those businesses that face the steepest increases in their business rates liability.
- 2 The Government's intention is that every billing authority in England will be provided with a share of the £300m to support their local businesses. The support will be provided by way of Discretionary Rates Relief awarded under section 47 of the Local Government Finance Act 1988.
- 3 Redditch Borough Council has developed a Discretionary Revaluation Support Scheme which has been designed to provide support to businesses affected by the revaluation and to ensure that support is provided in line with the Government's principles for relief.

Qualifying Criteria for Discretionary Revaluation Support

- 4 Discretionary Revaluation Support Relief will be provided where the following qualifying criteria are met.
 - The rateable value for the property is less than £200,000.
 - The increase in rates payable as a result of the 2017 revaluation is greater than 12.5% after award of all other applicable relief
 - The ratepayer occupied the premises on 31 March 2017 and 1st April 2017.
 - The ratepayer occupies fewer than 4 hereditaments within England.
 - The ratepayer occupies the premises for ordinary commercial business purposes.
 - The premises are not used for an excluded purpose.
 - The ratepayer has submitted a State Aid declaration.
 - The premises meet the definition of a relevant non-domestic hereditament as contained within The Non-Domestic Rating (Unoccupied Property) (England) Regulations 2008.
- 5 Commercial Business Purposes will be the use of the premises in connection with the ordinary functions of a business either through:
 - a. the retail provision of goods or services to the general public;

- b. the production, manufacture or storage of goods for sale to businesses or the general public; or
- c. the office administration of a commercial businesses or enterprise.

This is not intended to be a definitive list of commercial business purposes but is indicative of those activities and uses which we will consider to be suitable for Discretionary Revaluation Support.

6 Excluded purposes for the operation of Discretionary Revaluation Support are:

- The use of the premise as a Car Park;
- The use of the premises as a school or educational establishment;
- The use of the premises for banking, pay-day lending, or betting shops;
- The use of the premises as a hospital, health centre, or health care surgery; and
- The use of the premises for Governmental purposes, for example the use as a Job Centre, or offices of the Civil Service or Executive Agencies of Central Government.

Calculation of Revaluation Support Relief

7 Revaluation Support Relief will be calculated after any or all of the following have been applied:

- a. Exemptions from rating or mandatory rate reliefs;
- b. Transitional Relief or Premium;
- c. Any applicable discretionary rate reliefs awarded under existing local schemes or national mandated Government schemes.

8 The level of relief will be calculated as a percentage of the increase in rates above the transitional limit for medium properties (12.5% in 2017/18) payable between the current rates year and immediately preceding rates year. The level of the relief to be provided in each year will be

Rate Year	2017/18	2018/19	2020/21	2021/22
% Relief on Increase	85	45	20	0

9 The costs of relief for 2018 and subsequent years cannot be adequately forecast as the effect of adjustments to rateable values following appeals is not known. The Executive Director of Finance will have delegated authority to alter the level of relief to be provided in 2018 and subsequent years to ensure that:

- a. Support to ratepayers as a whole is maximised in each subsequent year; and
- b. The overall costs of the relief remain within the authority's share of the Government funding.

Notification of Revaluation Support

- 10 Discretionary Revaluation Support will be awarded automatically on a year by year basis. Ratepayers will be advised of the amount of relief they will be awarded and the end date of the relief.
- 11 In year one ratepayers will be advised that the award of relief is conditional on a declaration that the relief is state aid compliant and that they meet the requirement to occupy fewer than 4 hereditaments within England
- 12 The notification of Revaluation Support will include the conditions under which the relief may be removed or adjusted.

Adjustment and Removal of Revaluation Support

- 13 Revaluation Support will be awarded as percentage of the increase in rates liability year on year. Therefore where there is a reduction in liability as a result of a change in the rateable value of the property the level of relief will be reduced accordingly.
- 14 Relief will not be awarded on the element of rates liability relating to any increase in rateable value effective after 1st April 2017.
- 15 The relief is conditional on a state aid declaration being made if a declaration that the relief is state aid compliant is not received then relief will be removed.

Appeals in Relation to Revaluation Support

- 16 Entitlement to Revaluation Support and the level of relief to be awarded will in most cases be clear. However, in the first instance appeals against a refusal to award relief will be determined by the Financial Support Manager.
- 17 Appeals must state clearly the reasons why the ratepayer qualifies for relief in accordance with the Revaluation Support Scheme or, as applicable, the reasons why the calculated relief is incorrect.