



**Further Discretionary Business Rates Relief
Schemes 2017/18**

**Revaluation Relief
Public House Relief**

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1.0 Purpose of the Policy

- 1.1 The purpose of this policy is to determine the level of additional Discretionary Business Rates Reliefs (introduced as part of the March 2017 budget announcement) to be granted to defined ratepayers within the Council's area.
- 1.2 Central government is keen that in certain cases, assistance should be provided to businesses which have had increases in their rate liability due to the revaluation of premises in April 2017. In these cases, and where the Council meets government guidelines, grants are available under section 31 of the Local Government Act 2003.
- 1.3 This document covers all aspects of the new Discretionary Business Rates Relief scheme 'Revaluation Relief' and 'Public House Relief' which are available from 1st April 2017. Where businesses apply for relief they will be granted (or not granted) relief in line with the policy as contained within this document.

2.0 Discretionary Relief – Application Requirements

- 2.1 To be considered for discretionary relief ratepayers are obliged to make a written application to the Council. The Council will expect all businesses to make applications in such a format as is required (which may vary from time to time) and for the business to provide such information, evidence, certificates etc. as required in order to determine whether relief should be awarded.
- 2.2 The Council will consider carefully every application on its merits. With regard to these new discretionary reliefs there is no statutory appeal nor tribunal process in respect of any decision made by the Council. The Council will however, upon request, review decisions made. Details of the internal review process are given within this policy.
- 2.3 This policy document covers the granting of awards under the Revaluation Relief and Public House Relief schemes which cover a period of 12 months from 1st April 2017. The decision to grant, or not to grant, discretionary relief is a responsibility of the Council alone. The policy of the Council in respect of other Business Rate Relief schemes can be accessed at: www.fylde.gov.uk.

3.0 Legislative Framework

- 3.1 Over the past few years, a number of schemes have been introduced by central government without specific legislative changes. These are administered under s47 of the Local Government Finance Act 1988 and guidance is often provided. The Council is keen to support such initiatives especially where they are designed to help local businesses and will look to maximise both the reliefs given as well as maximising any grants receivable. However, the Council reserves the right to vary its approach where thought appropriate.
- 3.2 In the case of Revaluation Relief, the government is keen that individual councils develop their own scheme to meet local needs. The government has allocated funds to the council to meet the costs of the schemes using a particular methodology, but it has been keen to point out that the precise nature of the scheme to be adopted is the sole responsibility of each local authority.

4.0 Financial Overview

- 4.1 In March 2017, the government announced that it would make available a discretionary fund of £300 million over four years from 2017-18 to support those businesses that face the steepest increases in their business rates bills as a result of the revaluation, known as Revaluation Relief. Government determined that Councils would be best placed to determine how this fund should be targeted and administered to support those businesses and locations within their area that are in the greatest need.
- 4.2 Every local authority within England has been allocated a share of the national fund to support their local businesses. The relief is to be administered through billing authorities' discretionary relief powers under s47 of the Local Government Act 1988. The financial allocations for Fylde Council are shown below at **4.6**.
- 4.3 The allocation of monies to local authorities and the methodology of the funding award is completely separate to the scheme itself.
- 4.4 Councils will be compensated for any relief granted under section 31 of the Local Government Act 2003. The Government has decided that any underspend cannot be transferred from one year to the next nor will there be any additional funding allocations in the event that councils award a higher value of relief than the initial allocation provides for.
- 4.5 A key criteria of the relief scheme is that the Council must consult with its major precepting authorities when formulating its local scheme.

- 4.6 The level of funding allocations in respect of the Discretionary Business Rates Relief Scheme are shown in the following table:

Amount of discretionary fund awarded– Fylde Council

2017-18	2018-19	2019-20	2020-21
£000	£000	£000	£000
126	61	25	4

- 4.7 The Council will also be compensated for the awarding of Public House Relief under section 31 of the Local Government Act 2003.

5.0 Discretionary Relief – EU State Aid requirements

- 5.1 European Union competition rules generally prohibit government subsidies to businesses. Relief from taxes, including non-domestic rates, can constitute ‘state aid’. The Council must consider this issue when granting discretionary rate relief.
- 5.2 Rate relief for charities and non-profit making bodies is not generally considered to be state aid, because the recipients are not in market competition with other businesses. However, where other bodies receive relief and are engaged in commercial activities, or if they are displacing an economic operator, or if they have a commercial partner, rate relief could constitute state aid.
- 5.3 Relief will be state aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013)¹. The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three-year period (consisting of the current financial year and the two previous financial years).
- 5.4 Where the relief to any one business is greater than the De Minimis level, then permission will need to be obtained from the European Commission. In such cases the matter will be referred to the Department for Communities and Local Government (DCLG) for advice and then referred back to the Council for consideration. It will be for the ratepayer to provide confirmation as to whether the State Aid provisions apply to them.
- 5.5 When making an application for relief under this scheme ratepayers will be required to provide the Council with sufficient information to allow it to determine whether the state aid De Minimis provisions are applicable in their particular case.
- 5.6 European Union competition rules regarding state aid requirements may change when the United Kingdom is no longer a member of the European Union.

¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF>

6.0 Administration of Discretionary Relief – General approach

- 6.1 All applications for relief must be in the format specified by the Council.
- 6.2 Applicants for relief are required to provide a completed application form plus any such evidence, documents, accounts, financial statements etc. as is necessary to allow the Council to make a decision on the application. Where insufficient information is provided, then no relief will be granted. In some cases, it may be necessary for officers to visit premises and we would expect organisations claiming relief to facilitate this where necessary.
- 6.3 The Council will provide this service and guidance free of charge. Ratepayers are encouraged to approach the Council direct and **NOT** to pay for such services through third parties.
- 6.4 Where an application is successful, then the following will be notified to them in writing:
- The amount of relief granted and the date from which it has been granted;
 - If relief has been granted for a specified period, the date on which it will end;
 - The new chargeable amount.
- 6.5 Where relief is not granted a written explanation of the decision will be provided.
- 6.6 Revaluation Relief and Public House relief is to be granted from the beginning of the financial year in which the decision is made. Decisions can be made up to 6 months after the end of the financial year for which the application was made, but if an application is made after this time it will not be considered.
- 6.7 A new application for discretionary relief will be necessary for each financial year or at such time intervals as the Council determines appropriate.
- 6.8 Variations in any decision will be notified to ratepayers as soon as practicable and will take effect as follows:
- Where the amount is to be increased due to a change in rate charge or a change in the Council's decision which increases the award: this will apply from the date of the increase in rate charge or the date determined by the Council as appropriate;
 - Where the amount is to be reduced due to a reduction in the rate charge or liability including any reduction in rateable value, awarding of another relief or exemption: this will apply from the date of the decrease in rate charge; and
 - Where the amount is to be reduced for any other reason: will take effect at the expiry of a financial year.
- 6.9 Any decision in respect of discretionary relief may be revoked at any time.

7.0 Consultation

- 7.1 The grant determination for revaluation relief requires that local authorities consult with 'relevant authorities' in the design of their local scheme. Relevant authorities for the purpose of this scheme means any major precepting authority.
- 7.2 The Council has consulted with its major preceptors in relation to its Revaluation Relief Scheme and has taken their comments into account when determining the eligibility criteria.

8.0 Decision-Making Process

- 8.1 Each application for relief will be considered against the criteria listed in this document, and it must be in the interests of the Council and the local community for a relief to be granted.
- 8.2 Applications for discretionary relief will be determined by the Chief Financial Officer of the Council.
- 8.3 Additional information may be required in order that an application for relief can be determined.
- 8.4 Decision making process:
 - Stage 1:** The Principal Income and Recovery Manager or the Head of the Revenues and Exchequer Services will make a recommendation to the Chief Financial Officer in respect of the application for relief, considering the application against the criteria set out in this policy and based upon the information provided by the applicant and that known to the Council.
 - Stage 2:** The Chief Financial Officer will consider the application and the recommendation to determine whether to award discretionary relief.
- 8.5 The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.
- 8.6 The Council will accept an applicant's written request for a re-determination of its decision if there is new information available on which to reconsider the original decision.
- 8.7 The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.

9.0 Eligibility Criteria

9.1 Revaluation Relief

9.1.1 The Council has decided that reliefs under the Revaluation Relief scheme will be awarded using the following criteria:

- a) The scheme is designed to assist ratepayers who have suffered significant increases in their rate liability due to the 2017 revaluation and the subsequent increase to their Rateable Value;
- b) Relief will not be granted where a hereditament has a rateable value of £500,000 or more at 1st April 2017 and where the increase calculated in **9.1.1d** is less than 10%;
- c) Relief will not be awarded where mandatory relief or Supporting Small Businesses Relief are granted or if the hereditament is within the Business Rates Relief qualifying area of a designated Enterprise Zone;
- d) In assessing any potential entitlement to an award under this scheme, the Council will compare the following:
 - The rate liability of the ratepayer at 31st March 2017 after any reliefs and reductions; and
 - The rate liability of the ratepayer at 1st April 2017 taking into account any transitional relief or discretionary relief within this policy;
- e) Relief will only be given to premises which are liable for occupied rates. No relief within this scheme will be granted for unoccupied premises;
- f) Relief will only be granted to ratepayers who were in occupation at 31st March 2017 and in occupation on 1st April 2017 and for each day subsequently;
- g) Ratepayers taking up occupation after the 1st April 2017 will not be eligible for relief on the basis that new ratepayers would not have suffered from increases due to a revaluation;
- h) Relief may be awarded for more than one premise as long as all other criteria are met.

9.1.2 Relief will **not** be awarded where:

- the ratepayer has been awarded a reduction under s44a of the Local Government Finance Act 1988; or
- the hereditament occupied by a Billing or Precepting Authority (known as excepted hereditaments);
- the hereditament has a subsequent increase in Rateable Value after the 1st April 2017 which takes it out of the scope of this scheme; or
- the hereditament is used for any of the following purposes:
 - a) hospitals, health centre's or doctors/GP surgeries;
 - b) banks and building societies, including separately rated cash machines and ATM's; or
 - c) telecommunications network facilities.

9.2 Public House Relief

- 9.2.1 For Public House Relief the amount of relief available for 2017/18 under this scheme is up to £1,000 for each eligible property. There is no relief available under this scheme for properties with a rateable value of £100,000 or more. Eligibility for the relief and the relief itself will be assessed and calculated on a daily basis.
- 9.2.2 The majority of pubs are independently owned or managed and will not be part of national 'chains' of public houses. Where pubs are part of a chain, relief will be available for each eligible property in the chain, subject to State Aid restrictions.
- 9.2.3 The government's policy intention is that eligible pubs should:
- a) be open to the general public, **and**
 - b) allow free entry other than when occasional entertainment is provided, **and**
 - c) allow drinking without requiring food to be consumed, **and**
 - d) permit drinks to be purchased at a bar.
- 9.2.4 For these purposes, it should exclude:
- a) restaurants
 - b) cafes
 - c) nightclubs
 - d) hotels
 - e) snack bars
 - f) guesthouses
 - g) boarding houses
 - h) sporting venues
 - i) music venues
 - j) festival sites
 - k) theatres
 - l) museums
 - m) exhibition halls
 - n) cinemas
 - o) concert halls
 - p) casinos
- 9.2.5 These exclusions are not exhaustive and it will be for the Council to determine those cases where eligibility is unclear.

10.0 Applications for relief under these schemes

10.1 The Council is keen to identify ratepayers who may qualify for these reliefs and as such will look to encourage certain ratepayers to apply. The Council will aim to simplify the application process wherever possible, but it will expect all applicants to provide such information as is required by the Council to support their application

10.2 The amount of Revaluation relief will be calculated as follows for 2017/18:

Relief will be awarded where all the qualifying criteria are met and qualifying ratepayers will **receive a 5% discount of their 2017/18 net rates payable**. In future years the level of relief will depend upon the amount of government grant allocation and will be determined by the Chief Financial Officer.

10.3 The amount of relief awarded under these schemes will be recalculated in the event of a change of circumstances. Relief is calculated on a daily basis in line with the ratepayer's liability on that day. This will include, for example, a backdated change to the rateable value of the hereditament. This change of circumstances could arise during the year in question or during a later year. Where any award of relief is to be reduced, the Council will look to recover the amount from the date the change of circumstances occurred.

10.4 The Non-Domestic Rating (Discretionary Relief) Regulations 1989 (S.I. 1989/1059) requires the Council to provide ratepayers with at least one year's notice in writing before any decision to revoke or vary a decision so as to increase the amount the ratepayer has to pay takes effect. Such a revocation or variation of a decision can only take effect at the end of a financial year. But within these regulations, the Council may still make decisions which are conditional upon eligibility criteria or rules for calculating relief which allow the amount of relief to be amended within the year to reflect changing circumstances.

10.5 Where any award of relief is granted, the Council will require any changes in circumstances which may affect the relief to be reported as soon as possible and in any event not more than 21 days from the happening of the event. This will be important where the change would result in the amount of the award of relief being reduced or cancelled e.g. where the premises comes unoccupied or is used for a purpose other than that determined by the Council as eligible for relief.

11.0 Fraud

11.1 Where a ratepayer falsely applies for any relief or where the ratepayer provides false information, makes false representation, or deliberately withholds information in order to gain relief, prosecutions will be considered under the Fraud Act 2006.



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