

## **DONCASTER METROPOLITAN BOROUGH COUNCIL**

### **LOCAL DISCRETIONARY BUSINESS RATES RELIEF SCHEME 2017/18**

#### **Background**

1. The Valuation Office Agency carries out revaluations of Non-Domestic Rates property, usually every 5 years. The most recent revaluation of rateable values, based on rental values at 1 April 2015, is effective from 1 April 2017. The revaluation affected the amount of Business Rates many ratepayers across Doncaster have to pay. In terms of the local impact of the revaluation, of the 9,299 properties in the current Non Domestic rating list for Doncaster, 4,148 had an increase in their rateable value (RV); 1,907 had a decrease; and 3,244 had no change. Of the 4,148 properties that had an increase in RV, around half of these had no extra Business Rates to pay due to being entitled to 100% Small Business Rates Relief. Only around 22% of properties have seen an increase in their bills and across the borough there has been an overall decrease of 1.1% in total rateable value. This compares with the national picture of an increase in Business Rates of 9.1%.
2. Local Authorities have the power to grant Discretionary Rate Relief to Ratepayers that meet certain criteria. The amount of relief granted is used to reduce the amount the Ratepayer owes in Business Rates.
3. In the Spring Budget 2017 the Chancellor announced a discretionary fund of £300m over a four year period from 2017/18 would be made available to support those businesses that faced the steepest increases in their Business Rates bills as a result of the 2017 Revaluation.
4. Each billing authority in England will be provided with a share of £300 million to support their local businesses and are expected to use their share of funding to develop their own discretionary relief scheme to deliver targeted support to the most hard-pressed ratepayers.
  - a. . Central Government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003), and the Council has received confirmation of the actual maximum grant funding for the local share of the scheme for 2017/18 of £231,569.
5. The Government expects local authorities to develop a local scheme to grant relief to qualifying ratepayers and the Council would like to support qualifying ratepayers by utilising its discretionary powers through the application of this local scheme.

#### **Legislation**

6. S47 of the Local Government Finance Act 1988, as amended by the Localism Act 2011, states the Authority may only grant relief if it would be reasonable to do so having regard to the interests of Council Tax payers in its area. It also requires a local authority to have regard to any relevant guidance issued by the Secretary of State when deciding whether to grant relief.

7. Local Discretionary Business Rates Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013).
8. The De Minimis Regulations allow an undertaking to receive up to €200,000, (around £173,000), of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).
9. To administer De Minimis aid it is necessary for the local authority to establish that the award of aid will not result in the undertaking having received more than €200,000, (around £173,000), of De Minimis aid. Exchange rates will be calculated using the currency converter shown on the link below.

[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/infoeuro/infoeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro/infoeuro_en.cfm)

### **Who pays for the relief granted?**

10. Central Government will fully reimburse local authorities for the local share of the Local Discretionary Business Rates Relief (using a grant under section 31 of the Local Government Act 2003). As the relief will be fully funded it is in the interests of local taxpayers due to potential job retention and the wider local economic benefits.

### **Purpose**

11. The purpose of this scheme is to specify how the Council will operate its discretionary powers and to indicate the factors we will consider when deciding if this relief can be awarded.
12. The Council will consider awarding relief to all ratepayers who meet the qualifying criteria. We will deal with each application on its merits and treat all organisations that apply for this relief equally and fairly. We will share information with other public bodies and grant funders to prevent and detect fraud and duplication of assistance in respect of Business Rates.

### **Consultation**

13. The grant funding is subject to the condition that billing authorities consult their major precepting authorities before adopting any scheme. South Yorkshire Fire and Rescue Service have been consulted on this scheme. The Federation of Small Businesses and Doncaster Chamber have also been consulted.
14. Other Councils have also been consulted about their plans for their own local discretionary schemes and differences exist between different authorities' schemes.

### **How we will decide whether to award Local Discretionary Business Rates Relief**

15. The Local Discretionary Business Rates Relief will help those ratepayers who as a result of the 2017 Revaluation have had an increase in their bills of more than 7.5% between 2016/17 and 2017/18 after all other reliefs have been deducted, where the rateable value of the property on the 1<sup>st</sup> April 2017 is below £200,000.
16. Other specific criteria are set out below:-

- a. The property must have been occupied by the same ratepayer on 31<sup>st</sup> March 2017 and 1<sup>st</sup> April 2017. New businesses moving in after the 1<sup>st</sup> April 2017 will not be entitled to relief.
- b. Where a property was empty on the 1<sup>st</sup> April 2017, no relief will be awarded; and where a property becomes empty after that date any award will end on the date the property becomes empty.
- c. The total awards of relief will not exceed the amount of the 2017/18 Doncaster Council funding allocation, i.e. £463k.
- d. Local Discretionary Relief will be awarded after all relevant reliefs and exemptions have been deducted.
- e. Under section 47 of the Local Government Finance Act, no discretionary award can be made where the ratepayer is the Council or any precepting body.
- f. Where the ratepayer qualifies for Supporting Small Businesses Relief, no award of Local Discretionary Business Rates Relief will be awarded.

### **Claiming Local Discretionary Business Rates Relief**

17. The Council will identify all eligible ratepayers and invite them to make an application for relief.
18. In order to receive relief the Council has to be satisfied that the qualifying criteria are met. For each award a State Aid declaration must be submitted by the ratepayer to declare any other aid received and to confirm they do not exceed the De Minimis threshold.
19. We will award relief in circumstances where we consider a ratepayer may be entitled to relief and will provide a form/ declaration to assist in identifying those ratepayers entitled to relief. The form/declaration must be completed by the ratepayer or a person authorised to sign on behalf of the ratepayer.
20. We may request any reasonable evidence in support of the application.

### **Period of award**

21. The start date of the relief will be the 1<sup>st</sup> April 2017.
22. The minimum period of relief that can be awarded is one day.
23. Entitlement to relief will cease on the 31<sup>st</sup> March 2018, or from such date that one or all of the qualifying criteria are no longer met, if sooner.
24. A new scheme of relief will exist for future years, the qualifying criteria for which will be determined after this award of relief ends.
25. No relief will be awarded for a period prior to 1<sup>st</sup> April 2017.

### **How much will we award?**

26. Qualifying ratepayers will receive relief equivalent to 100% of the increase in their net Business Rates bill above the 7.5% cap.

27. Where a qualifying ratepayer's 2017/18 and/or 2016/17 rates bill is adjusted for any of the following reasons, the amount of their relief will be adjusted or removed accordingly:

- a. a change in rateable value in the 2010 and/or 2017 rating lists;
- b. the provision of a certificated value for the 2010 rating list or historical change;
- c. the application or increase of any other relief or exemption;
- d. vacation and re-occupation of the property.

28. Annex 1, at the end of this document, shows some examples of how relief will be calculated.

### **How payments will be made**

29. All relief awarded will be credited to the ratepayer's Business Rates account.

### **Notifications**

30. The Council will inform the ratepayer in writing of the outcome of their application for Local Discretionary Business Rates Relief.

31. Where the application is not successful, the notification will provide reasons why we have decided not to award Local Discretionary Business Rates Relief and the applicant's right to ask us to look at the decision again.

32. Where the application is successful, the notification will include the following information:-

- a. The period of the award.
- b. The amount of relief to be awarded for the period.

### **Overpayments**

33. The Council will recover all overpayments of Local Discretionary Business Rates Relief through the ratepayer's Business Rates account.

### **Right of Appeal**

34. As this is a discretionary scheme there is no formal right of appeal, however, if a ratepayer is aggrieved by a decision made under this scheme, they must write and tell us why they think the decision is wrong, e.g. whether the published criteria has been properly applied.

35. The case will then be considered by someone who has not been involved in the original determination.

36. They will thoroughly check all the information held about the property along with the details in the relief application and any further information provided by the ratepayer. They will decide whether or not the criteria have been properly applied. They could then: -

- a. Decide not to change the decision;
- b. Change the decision and award Local Discretionary Business Rates Relief.

37. They will write to tell the ratepayer what has happened, normally within 21 days of reconsidering the appeal.

### **Fraud**

38. The Council is committed to the fight against fraud in all its forms. A ratepayer who tries to fraudulently apply for Local Discretionary Business Rates Relief by falsely declaring their circumstances or providing a false statement or evidence in support of their application, may have committed an offence under the Theft Act 1968. Where we suspect that such a fraud may have occurred, the matter will be investigated in line with the Council's Anti-Fraud Strategy. This may lead to criminal proceedings being instigated.

### **Publicity and Information**

39. The Council will include information about Local Discretionary Business Rates Relief in the Business Rates Section of the Council's website and other appropriate places.

### **Review**

40. The scheme will be reviewed at the end of the 2017/18 financial year, taking into account any changes in legislation or guidance from Central Government regarding the funding of this relief.

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