



**REPORT of
DIRECTOR OF CUSTOMERS AND COMMUNITY**

to
**FINANCE AND CORPORATE SERVICES COMMITTEE
28 NOVEMBER 2017**

**DISCRETIONARY RATE RELIEF SCHEME AND APPROVAL OF ANNUAL
RURAL SETTLEMENT LIST**

1. PURPOSE OF THE REPORT

- 1.1 For Members to approve the proposed Discretionary Non Domestic Rate Relief Scheme at **APPENDIX 1**, which updates and replaces our existing policy to enable:
- a) Distribution of the £115,000 of additional funding made available by the Government to support small to medium businesses most affected by the increase in business rates following the 2017 Business Rate Revaluation.
 - b) Approval of the annual Rural Settlement List, to enable granting of relief to qualifying businesses within the District
- 1.2 The criteria for the additional new relief is at pages 45-49 of **APPENDIX 1**, and the rural rate list and qualifying criteria is at pages 28-30 of **APPENDIX 1**.

2. RECOMMENDATION

To the Council:

That the proposed Discretionary Non Domestic Rate Relief Scheme at **APPENDIX 1** be approved.

3. SUMMARY OF KEY ISSUES

- 3.1 As part of the 2017 Budget announcements the Chancellor announced from 1 April 2017 a package of help for businesses affected by significant increases in business rates as a result of the 2017 Revaluation. Details of these three schemes are at **APPENDIX 2**.
- 3.2 We have implemented the first two schemes; for the additional transitional relief, and for the Pub Relief, and revised bills have been sent out to the affected ratepayers.
- 3.3 In respect of the third scheme, a local Additional Discretionary Rate Relief scheme, a policy has been developed in conjunction with other Essex authorities to ensure consistency, which gives priority for the funding to small to medium businesses which have seen the biggest rises in business rates from 2017.

3.4 The key criteria are as follows:

- Priority will be given to businesses with a new rateable value of between £12,000 and £50,000;
- Priority will be given where rates that are payable increase by more than 20% in 2017 / 18 (due to revaluation) after any reliefs have been granted;
- The ratepayer must:
 - have had an occupied rates liability during the period 1st April 2016 to 31st March 2017;
 - have been trading from the premises;
 - not have qualified for Mandatory Charity Relief or Supporting Small Business Relief scheme;
 - not have received State Aid in a three-year period, including the current year, in excess of 200,000 euros;
 - not have more than two occupied rateable properties in the U.K.
- Relief will be recalculated if there is a rateable value reduction or if another relief is applied that affects liability, or there is any other change in liability;
- Relief will not apply where properties are entered into the list retrospectively.

3.5 Any business can apply, if they meet the criteria in the policy. However, priority for the allocation of the £115,000 funding will be given to support small to medium retail businesses.

3.6 It is proposed that an award of up to £1000 can be made to a business, meaning that we should be able to assist more than 100 businesses in the District.

3.7 The funding available over the 4 year scheme will reduce on a sliding scale, and the proposed annual award of up to £1000 will reduce in the same ratio.

3.8 Major Preceptors will be consulted with ahead of implementation of any scheme.

3.9 The updated policy incorporates the Rural Settlement List which has previously been approved by Members as a separate report.

4. CONCLUSION

4.1 The proposed Discretionary Non Domestic Rate Relief at **APPENDIX 1** will enable:

- a) additional financial support of up to £1000 to be directed to small to medium businesses suffering the biggest rise in rates as a result of the 2017 revaluation;
- b) the award of the relief to qualifying rural businesses.

5. IMPACT ON CORPORATE GOALS

5.1 The updated Discretionary Non Domestic Rate Relief policy will enable the granting of additional Discretionary Rate Relief and Rural Rate Relief which will support the

Corporate Goal of “Delivering good quality, cost effective and valued services”, whilst supporting “Creating opportunities for economic growth and prosperity”

6. IMPLICATIONS

- (i) **Impact on Customers** – Eligible ratepayers will receive a reduction of up to £1000 on its rates bill under the Additional Rate Relief Scheme, and up to 100% rural rate relief.
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk** – The scheme should provide financial support to small to medium businesses facing big rises in the rates payable, and to qualifying rural businesses.
- (iv) **Impact on resources (financial)** – The scheme provides a framework for awarding the £115,000 funding that has been made available by the Government to support businesses facing the biggest rises in business rates as a result of the 2017 Revaluation, and to award Rural Rate Relief to qualifying businesses.
- (v) **Impact on Resources (human)** – None – the schemes will be delivered within existing resources.
- (vi) **Impact on the Environment** – None.

Background Papers: None.

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