

Local discretionary rate relief policy

In the Spring Budget 2017, in light of the recent re-valuation, the Chancellor announced that the government would establish a £300 million discretionary Business Rate Relief fund; Allowing local authorities to devise local schemes to assist businesses that are facing rising bills, as a result of a national revaluation of all business properties.

The Government published a consultation covering proposed methodology for distributing the available funding between local authorities and subsequently stated that the allocations would be as set out in the consultation.

The funding for the scheme is spread over four years. In Epsom & Ewell the total funding available under our allocation has been confirmed as:

2017/18	£265,000
2018/19	£124,000
2019/20	£51,000
2020/21	£7000

This section describes how the Local Discretionary Relief Scheme will operate in Epsom & Ewell and the following paragraphs set out how eligibility for the relief will be determined.

The council will calculate the change in annual charge by comparing the 2016/17 charge with the 2017/18 charge. We will do this by using the 2017 transitional base liability, which is a property's 2016/17 full annual charge, based on the rateable value (or certified rateable value) on 31 March 2017, excluding any small business rate relief supplement. We will then compare this figure with the property's 2017/18 full annual charge, based on the property's new rateable value from the 01 April 2017 and excluding any small business rate relief supplement. This in effect compares how much a ratepayer was paying for business rates in 2016/17 and how much their basic charge is in 2017/18, before the application of any other reliefs they may qualify for.

This is the same comparison used to determine the Government's transitional relief scheme and ensures any change is purely as a result of the 2017 revaluation.

In determining the amount of funding to each council, the government used formulae that only considered cases where the property's 2017/2018 bill (before reliefs) had increased by more than 12.5% and excluded properties with rateable values of £200,000 and over.

Epsom & Ewell Borough Council's scheme applies both these elements and hence will only consider awards where the 2017/18 bill has increased (as above) by more than 12.5% and the 1 April 2017 rateable value is less than £200,000.

In considering relief to remaining ratepayers, Epsom & Ewell will also exclude relief to:

- National companies and companies with multiple premises (where total properties greater than 5, or if under 5, where total rateable value of all properties exceeds £199,999). The relief is designed to be applied locally and, nationally, revaluation is neutral, meaning national companies and chains may have seen rate reductions in other parts of the country offsetting increases elsewhere. Ratepayers with multiple properties maybe more resilient and if have business premises in other boroughs would mean any award could benefit more than the Epsom & Ewell locality.
- Empty Properties. The Council wants to encourage properties being brought back into use.
- Charities. Charities receive 80% mandatory relief under a separate statutory scheme.
- New ratepayers becoming liable on or after 1 April 2017. New ratepayers would not have seen an increase in their rate bills at the property.
- Ratepayers receiving Small Business Rate Relief and/or Supporting Small Business Rate Relief. Ratepayers losing small business rate relief have limits on increases separately under the supporting small business rate relief scheme.
- Precepting Authorities & Government Departments. Section 47 relief cannot be awarded to a precepting authority (e.g. Epsom & Ewell Borough Council/Surrey County Council/Surrey Police). Epsom & Ewell Borough will also exclude awards where the precepting authority is currently liable for the payment of Business Rates.

The remaining eligible ratepayer accounts will be awarded discretionary relief as a percentage of the increase from the 2016/17 full annual charge (excluding any small business rate relief supplement) based on the rateable value (or certified rateable value) at 31 March 2017 using the 2017 transitional base liability, to the 2017/18 chargeable bill (i.e. after all other reliefs and entitlements) based on an 'extract date' (to be on, or after 1 April 2017) taken for this purpose.

How much relief will be available

The percentage of relief will be the same for all qualifying ratepayers and will be based on the total funding available for each year. (Total funding available/Total increase in chargeable amount of qualifying ratepayers x100).

A minimum 10% of the funding each year will be held back when making initial awards to account for in year bill changes that may increase the total relief awarded. This percentage may be reviewed and annually based on experience and available funding. Any additional funds identified after review will be re-allocated and may lead to further awards being made to qualifying properties.

The award will be made based on the increase calculated as at the date of the 2017/18 extract. Relief will be calculated on a daily basis and will cease from any date that the eligibility criteria are not met and/or the account is closed. Other changes to the chargeable amount will not generally affect the award but the amount of relief cannot exceed the chargeable bill amount. Later increases or decreases solely due to revaluation may lead to the award being reviewed.

The relief will be available in 2017/18, 2018/19, 2019/20 and 2020/21 for those who qualify and any award will apply for that year only. The relief will be assessed and calculated on a daily basis (retrospective or otherwise as appropriate) and may be lower or higher than the original award.

If the property is split or merged consideration will be given to how much of the new split or merged hereditament(s) are occupied by the previous eligible ratepayer. In most cases relief will be awarded pro-rata in relation to the original award, but not exceeding that award.

Where relief has been found to have been awarded incorrectly or in error the relief will be removed and amended bills issued. If a change in circumstances that would affect the relief is not informed to the Council within 28 days the Council reserves the right to cancel all relief granted and refuse any further application.

Other discretionary reliefs reimbursed by s.31 grants

If a property is eligible for relief under other schemes for which section 31 grant is payable – relief should be first awarded under those schemes, except for the Pubs Relief Scheme, which should be applied after Local Discretionary Relief.

Ratepayers can be eligible for both Local Discretionary Relief and the Pubs Relief Scheme.

(DCLG does not prescribe whether the separate local discretionary relief scheme is calculated before or after the Support for Pubs relief scheme. However, DCLG understands that authorities and software companies will follow the practice of taking the Discretionary Relief before the Pubs Relief.)

Application process

The scheme entitlement is established based on information already held within Epsom & Ewell Borough Council's Business Rates system. Therefore, awards will be applied automatically where entitlement is found. Ratepayers may request we review their account where no automatic award has been made.

Appeals process

There is no statutory right of appeal against a decision regarding discretionary rate relief. Decisions can be challenged under by way of judicial review in the normal way, but are unlikely to be set aside unless the decision was so unreasonable that no reasonable person could have reached it ('Wednesbury Rules').

However, the Council recognises that ratepayers should be entitled to have a discretionary decision reviewed if dissatisfied with the outcome. Only the ratepayer or authorised agent may appeal against the decision not to award relief or the level of relief awarded. Appeals must be made within four weeks of the notification of decision.

The appeal process for this relief will follow our current appeal procedure for discretionary rate relief:-

- Appeals must be in writing specifying reasons why a decision should be amended and supported by relevant new or additional evidence.
- An appeal will be deemed to be discontinued if further evidence requested from the ratepayer has not been received within four weeks of the request.
- Appeals against decisions made under delegated authority by Revenues Manager will be considered by Head of Revenues and Benefits and the Council's s151 Officer.

State aid limits

European Union competition rules generally prohibit Government subsidies to businesses. Non-domestic rate relief can constitute state aid. Generally speaking, this can apply to all discretionary reliefs for commercial bodies. There is, however a "de minimis" threshold for this of €200,000 for any business over a rolling three year period under EC1407/2013. This is a cumulative figure for all Government grants including business rates relief.

If we award relief that you feel would lead to you exceeding the threshold you should contact us for the relief to be cancelled