**DISCRETIONARY BUSINESS RATE RELIEF POLICY (REVALUATION RELIEF)**

1. **Background**

1.1 The Government announced in the 2017 Spring Budget Statement that it would provide a £300 million fund for local authorities to distribute over 4 years to help businesses facing rising business rates bills as a result of the revaluation.

1.2 As this is a temporary measure for the financial years from 2017/18 to 2020/21 only, the Government is not changing the rules on when a property becomes eligible for relief. Instead it is providing the relief by reimbursing local authorities that use their discretionary relief powers (under section 47 of the Local Government Finance Act 1988) to grant relief in accordance with their own locally devised scheme.

1.3 The grant is subject to the condition that billing authorities consult their major precepting authorities and, where applicable, their combined authority before adopting any scheme. There is also a condition that local authorities are required to pay back any excess grant paid to them following a year end reconciliation process.

1.4 The Government has confirmed that Medway Council’s allocation of the fund is as follows:

* 2017/18 £272 k
* 2018/19 £132.5k
* 2019/20 £ 54.5k
* 2020/21 £ 8k

This equates to the following amount of relief being awarded

* 2017/18 £545k
* 2018/19 £265k
* 2019/20 £109k
* 2020/21 £ 16k

1.5 Cabinet agreed at its meeting on 5 September 2017 (decision 102/2017) to adopt a new discretionary rate relief scheme to be met within Government funding limits, and agreed to delegate to the Chief Finance Officer, in consultation with the Portfolio Holder for Business Management, the detailed application of the scheme.

1. **Properties to benefit from relief**

2.1 The council has determined the following qualifying criteria:

* There has been an increase in business rates payable due to the revaluation
* The increase is greater than 1.5% and not less than £50
* The property’s rateable value does not exceed £100,000
* The ratepayer is a small or medium enterprise (i.e. less than 250 employees)
* The property has been occupied continuously and by the same ratepayer since at least 31 March 2017
* The following types of business are excluded from receiving relief:
	+ Betting shops
	+ Amusement arcades
	+ Takeaways
	+ Off licences
	+ Public bodies (including local and central government, National Health Service, maintained schools, academy schools & further/higher education institutions, police and fire services)
* The following types of property are excluded from receiving relief:
	+ Advertising rights
	+ Communication stations
1. **Amount of relief to be paid**

3.1 The maximum award under this scheme is £1,200 per annum for 2017/18 (but

 see 3.4) and the amount of relief will not exceed the net 2017/18 rate liability).

3.2 Eligibility for the relief and the relief itself will be assessed and calculated on a

 daily basis.

3.3 Where there is an increase in the rateable value after 1 April 2017 no

additional relief will be awarded. Where there is a reduction in the rateable value after 1 April 2017 relief will not be withdrawn unless the amount of relief exceeds that year’s rate liability.

3.4 It is the Council’s intention to maximise the award of this relief. If after the initial award of relief, some of the funds remain available, the council will consider a second award of relief. The amount of such relief will be determined by the level of funds remaining. If an additional award is to be made ratepayers will be notified prior to 31 March 2018.

1. **Process for awarding relief**

4.1 There is no application form. Medway Council will award relief to those properties it believes are eligible. Should a ratepayer believe they are eligible but have not been awarded relief they should contact the Council e-mailing the business rates team at rates@medway.gov.uk.

4.2 No award of relief will be made in respect of any financial year after the end of that financial year.

1. **Relief for future years**

5.1 The amount of relief awarded in the following three years (2018/19, 2019/20 and 2020/21) will be determined by dividing the amount of Government funding allocated for that year (see 1.4) by the number of businesses that continue to satisfy the criteria in 2.1, but will not exceed the rate liability for that financial year.

5.2 Where the amount of eligible relief is determined to be less than £50.00, no relief will be awarded.

1. **State Aid relief**
	1. State Aid is support from public bodies which has the potential to distort

 competition and affect trade between member states of the European Union.

* 1. Any form of discretionary rate relief may amount to State Aid.
	2. State Aid is generally prohibited, but there are exceptions and aid is allowed

 under the ‘de-minimis’ rules. For most businesses this currently means

 €200,000 over 3 years from ALL sources.

* 1. The Council may require an applicant to demonstrate their compliance with these legal requirements and any permitted exemptions. Each case will be considered based on the ratepayer’s individual circumstances in full consideration of the state aid rules.
1. **Appeals**
	1. Appeals against a refusal to grant relief will be dealt with as follows:
* Initial review by the Revenues and Benefits Service Manager
* Second stage review by the Chief Finance Officer