

## UTTLESFORD DISTRICT COUNCIL

### BUSINESS RATES - DISCRETIONARY RATE RELIEF/DISCOUNT POLICY

EFFECTIVE 1<sup>st</sup> April 2019

Approved by Council 21 February 2019

#### Policy objectives

1. To support the local economy by providing incentives for occupation of empty premises, encourage business start-up and business expansion within Uttlesford.
2. To support rural communities by providing assistance to businesses operating in rural locations.
3. To contribute to maximising the Council's financial position under the business rates retention scheme by encouraging longer term rateable value growth.
4. To support town centre high streets evolve during a period of significant changes in customer behaviour.

#### Administration

5. The policy will be administered by the Council's Revenues service, who will determine the relief application process.
6. The Revenues service will determine applications for relief, using the criteria set out in this policy. Applications for the Business Development category of relief will be assessed by the Council's Economic Development Officer who will notify the Revenues service of decisions made. The Council will have discretion to backdate awards of relief to the beginning of the current billing period.
7. Eligibility for relief will typically be based upon objective criteria such as the rateable value, location and nature of an organisation's business. A business's profitability will not ordinarily be a relevant factor for determining eligibility. The intention is for a streamlined process that is simple to administer for both applicants and the Council. The Council shall have the right to request any additional information it considers necessary to determine an application.
8. The over-riding consideration in the determination of any application is that the granting of relief must be judged to be in the wider interests of the Uttlesford community and its council tax payers.
9. Appeals against unsuccessful applications for relief will be determined by the Section 151 Officer, whose decision shall be final. There shall be no further right of appeal.
10. The granting of discretionary relief will typically be on a rolling one-year basis so that the Council has the agility to adjust the policy to reflect changing needs and circumstances.
11. The policy will be subject to annual review and approval by the Cabinet.

#### State Aid Limitations

12. All granting of discretionary rate relief is subject to limitations under applicable State Aid legislation and associated De Minimis Regulations.
13. The Regulations currently allow a business to receive up to 200,000 Euros of state aid over a rolling three year period.
14. In practice, this means that smaller, independent businesses are more likely to be eligible for a relief/discount and larger, national businesses (e.g. chain stores) less likely.

CATEGORY OF RELIEF	ELIGIBLE ORGANISATIONS	MANDATORY RELIEF	DISCRETIONARY RELIEF
<b>Retail Discount New</b>	For occupied retail Properties with a rateable value of < £51,000	No applicable	<p>To support Town Centre high streets evolve during a period where customer shopping habits have shifted to online purchases.</p> <ul style="list-style-type: none"> <li>• Must be a qualifying occupied retail premises as laid down in the Government Guidance <a href="#">MHCLG Retail Relief Guidance</a></li> <li>• Must have a rateable Value of &lt; £51,000</li> <li>• The discount will only be applied after all other mandatory reliefs and other discretionary reliefs funded by section 31 have been applied</li> <li>• The value of the Discount will be one third of the bill.</li> <li>• Locally funded reliefs such as hardship relief must be applied after the Retail Discount</li> <li>• State Aid limits will apply</li> </ul> <p>LA's will be fully reimbursed under section 31 grant</p> <p>The scheme will run for two years only the 2019-20 and 2020-21 only</p>
<b>Supporting Small Businesses Relief</b>	For small businesses who are losing some or all of their small business or rural rate relief	Not applicable	<p>To support ratepayers by limiting the amount of rates payable in each year to the greater of ;</p> <ul style="list-style-type: none"> <li>• Cash value of £600 or</li> <li>• The matching cap on increases for small properties in the Transitional relief scheme.</li> <li>• The cash minimum increase will stay flat in each year</li> </ul> <p>Which means that under this scheme by year 5 the eligible ratepayer will not be paying more than £3,000 than they did in 2016/2017.</p> <p>LA's will be fully reimbursed under s31 grant</p>

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			Eligibility will not be lost with a change of occupier but will be lost if the property becomes vacant or is occupied by a charity or Community Amateur sports Club.
<b>Local Newspaper Relief</b>	Local Newspapers occupying office space	Not applicable	<p>One discount per newspaper title</p> <ul style="list-style-type: none"> <li>• Discount of £1500</li> <li>• 2 years only from the 1<sup>st</sup> April 2017 (Autumn budget 2018 this scheme was extended for one more year 2019-20)</li> <li>• S31 grant</li> </ul>
<b>Revaluation Relief</b>	Government funded Business Rate Relief to support Businesses that fact the steepest increased in their business rates.	Not applicable	<ul style="list-style-type: none"> <li>• Scheme covering 3 years with effect from 1<sup>st</sup> April 2017</li> <li>• Targeted at businesses facing an increase of 12.5% or more in their business rate bills due to the 2017 revaluation, with a Rateable value of less than £200,000</li> <li>• National and Large chains will be excluded *</li> <li>• The scheme is by application only</li> <li>• Relief will be awarded on the following basis; <ul style="list-style-type: none"> <li>• Year 1 – 50% relief</li> <li>• Year 2 – 25% relief</li> <li>• Year 3 – 12% relief</li> </ul> </li> </ul> <p>A contingency pot will be held each year to cover any changes in business valuations.</p> <p><i>*A group of outlets owned by one company and spread across various locations nationwide or worldwide, with similar appearance and providing similar services or goods across the outlets.</i></p>
<b>Rural Rate Relief</b>	Within a rural settlement with a population below 3,000, a	Within a rural settlement with a population below 3,000, the following will receive 50%	Within a rural settlement with a population below 3,000:

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	sole general store, post office, food shop, public house or petrol station	mandatory rate relief: <ul style="list-style-type: none"> <li>• A sole general store, post office or food shop with a RV of less £8,500</li> <li>• A sole public house or petrol station with a RV of less than £12,500</li> </ul>	<ul style="list-style-type: none"> <li>• A sole general store, post office, food shop, public house or petrol station with an RV exceeding the stated thresholds, but with an RV of up to £16,500, may be considered for up to 100% discretionary rate relief.</li> </ul> <p><b>NEW FOR 2017/18:</b> A sole general store, post office, food shop, public house or petrol station with an RV of between £16,501 and £27,500 may be considered for 100% discretionary rate relief up to the value of the £16,500 RV level. For example, a qualifying business with an RV of £18,500 would receive 100% relief up to £16,500 RV and have to pay rates on the remaining £2,000 RV.</p> <ul style="list-style-type: none"> <li>• Discretionary local rural rate relief will be applied after any other applicable reliefs have been deducted.</li> </ul>
<b>Charitable relief</b>	Registered charities  Registered Community Amateur Sports Clubs  Community Interest Companies	Charities and Registered Community Amateur Sports Clubs are entitled to 80% relief where the property is occupied by the Charity or Club and is wholly or mainly used for charitable purposes or as a Registered Community Amateur Sports Club.	Charities and Registered Community Amateur Sports Clubs may be considered for up to 20% discretionary rate relief.  <b>FROM 2014/15:</b> Community Interest Companies that have charitable aims (and use profits for charitable purposes) may be considered for up to 100% discretionary rate relief.
<b>Business Development relief</b>	New non-retail SME businesses starting up, operating from new premises or premises that have been unoccupied for 12 months*  Expanding non-retail SME	Not applicable	<b>FROM 2014/15:</b> Qualifying businesses can be considered for discretionary rate relief of 50% for the first year and 25% for the second year. In the case of enlarged premises, the relief would be on the difference between the rates payable on the original premises and the rates payable on the extended premises.

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	<p>businesses who enlarge their existing premises, or occupy an additional premises that is new or has been unoccupied for 12 months*</p> <p>*including the conversion of former agricultural buildings</p>		<p>This is subject to demonstrating that:</p> <ul style="list-style-type: none"> <li>• A minimum three year lease / occupancy commitment exists*</li> <li>• The business will endeavour to ensure that at least 50% of the business's employees are Uttlesford residents</li> <li>• The business will endeavour to ensure that at least 25% of the business's supplies and services expenditure is with Uttlesford businesses.</li> </ul> <p>*In the event of the business vacating the premises within the first three years, the Council reserves the right to clawback the rate relief granted.</p>
<b>Small Business Rate Relief</b>	<p>Businesses with a rateable value of up to £14,999 will receive 100% small business rate relief</p> <p>For properties from 15,000 – 50,999 will have their business rates calculated with the small business rate multiplier</p>	<p>From 1<sup>st</sup> April 2017 Businesses with an Rateable Value up to £12,000 will receive 100% relief.</p> <p>RV £12,000 to £14,999 – 100% relief decreases on a sliding scale by 1% for every £ 30 of RV between £12,000 and £ 14,999.</p> <p>RV £15,000 to £ 51,999 – no relief is allowed but the bill is calculated using the small business multiplier</p>	None
<b>Flooding Rate Relief</b>	Businesses whose premises are flooded due to bad weather	Not applicable	100% rate relief for three months from the date of the first flooding. (approved by Full Council 27 February 2014)
<b>Unoccupied property rating</b>	Any business	Business rates are not payable in the first three months that a property is empty. This is extended to six months in the case of certain industrial properties.	None

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		Certain definitions and exemptions apply – please see the website.	
<b>Hardship Relief</b>	Businesses who are suffering financial hardship because of a one-off event demonstrably beyond their control.	Not applicable	Discretionary rate relief of up to 100% for a limited period depending on circumstances. Consideration would also be giving to deferring payment due dates.