

# Rotherham Metropolitan Borough Council

## Revaluation Support Scheme

### 1. Background

- 1.1 The Government has nationally allocated £300m in funding over the period 2017/18 to 2020/21, to provide additional relief to businesses that need additional support following the impact of the 2017 revaluation. Each authority has been given their own allocation, being the total relief that they can offer, and still be compensated through a Section 31 grant for their 49% share. Authorities will not be compensated for relief granted above their allocated funding and unused funding cannot be carried forward to future years.
- 1.2 Rotherham's allocated funding for Revaluation Relief is as follows. The figures used in the calculation of relief under the Revaluation Support Scheme (percentage relief awarded & maximum relief awarded) will be adjusted annually in order that the total relief awarded will not exceed Rotherham Councils funding for that year.
  - 2017/18 = £365k
  - 2018/19 = £85k
  - 2019/20 = £35k
  - 2020/21 = £5k
- 1.3 Rotherham's scheme has been designed to support small and medium businesses which have seen their Non Domestic Rates bill increase significantly as a result of an increase in the Rateable Value of their properties in the 2017 revaluation.
- 1.4 This document sets out the Council's intentions for dealing with applications for relief under the Revaluation Support Scheme.

### 2. Qualifying Criteria

- 2.1 Relief will only be awarded under the Revaluation Support Scheme where all qualifying criteria are met as at 1/4/2017.

#### Qualifying Criteria - Property

- 2.2 As a result of the 2017 revaluation;
- The Rateable Value of the property must have increased from the 2010 list to the 2017 list as at 1/4/2017
  - The Non Domestic Rate net charge (as defined in section 3), after all other reliefs have been deducted, must have increased by 7.5% or more between 2016/17 and 2017/18 as at 1/4/2017.
- 2.3 The property must have been on the rating list as at 1/4/17 in order for relief to apply. No relief will be awarded to properties entered onto the list retrospectively.
- 2.4 The property must have had a Rateable Value of £100,000 or below on the 2017 rating list as at 1/4/2017.
- 2.5 Where a property was empty on the 1<sup>st</sup> April 2017, no relief will be awarded. Where a property becomes empty after that date any award will end on the date the property becomes empty, and no further relief will be granted for that property.
- 2.6 Where the liable party for Non Domestic Rates on a property changes after 1/4/2017 any award will end on the date of the liability change, and no further relief will be granted for that property.

### **Qualifying Criteria – Applicant**

- 2.7 The applicant meets the conditions attached to State Aid under European Union regulations (limiting relief maximum of 200,000 Euros – around £173,000 over three financial years comprising the current financial year and the two previous financial years).
- 2.8 The applicant must have been in occupation of the property on both 31/3/2017 and 1/4/2017.
- 2.9 Any business which becomes liable for Business Rates for a period after 1/4/17 will not be eligible for relief.
- 2.10 No relief will be awarded to applicants who the authority believe fall into one of the following categories;
- Public bodies (eg NHS, DWP etc)

- Organisations funded by central government or an agency thereof (eg Academies and medical premises such as Doctors and Dentists)
- Large national and multi-national companies or chains, including franchises.
  - Relief will be targeted to local independent businesses and not those businesses that are part of a franchise, national or multi-national in nature. Local businesses are, for the purposes of this scheme, those which have premises wholly in Rotherham or neighbouring South Yorkshire council's areas.

### **3. Calculation of Relief**

- 3.1 Relief under the Revaluation Support Scheme will be awarded after all relevant reliefs and exemptions have been deducted.
- 3.2 Where all the qualifying criteria have been met the relief awarded will be a percentage of the net increase in the Non Domestic Rates between 2016/17 and 2017/18 as at 1/4/2017 up to a maximum value.
- 3.2 Where the Non Domestic Rates charge for 2016/17 or 2017/18 was for part of the financial year or contained any empty periods the net charge for the year will be calculated as an annualised charge based on the average daily charge for the periods when the property was not empty.
- 3.3 The percentage of relief awarded will be as follows. These percentages may be revised prior to the start of a financial year in order to ensure that the maximum relief is awarded without exceeding Rotherham Council's allocated funding.
  - 2017/18 = 90%
  - 2018/19 = 25%
  - 2019/20 = 10%
  - 2020/21 = 2.5%
- 3.4 The maximum relief that will be awarded, against a property, will be as follows. These maximum award figures may be revised prior to the start of a financial year in order to ensure that the maximum relief is awarded without exceeding Rotherham Council's allocated funding.

- 2017/18 = £5,000
- 2018/19 = £1,000
- 2019/20 = £500
- 2020/21 = £100

3.5 Where a qualifying ratepayers rates bill for 2016/17 or 2017/18 is adjusted for any of the following reasons the amount of relief awarded under the Revaluation Support Scheme will be adjusted or removed accordingly;

- The award of other reliefs or exemptions
- The vacation of the property
- A change in the liable party

3.6 The Council will recover any overpayments of relief through the ratepayer's Business Rates account.

#### **4. Application Process**

4.1 Business Rate payments remain legally due and payable in accordance with the most recent bill until such time as any rate relief is awarded. The rate relief will usually be awarded by means of a reduction shown on the business rate bill issued to the ratepayer. Where this puts the account in credit for the year, a refund will be made at that time.

4.2 All applicants are required to complete the Council's Revaluation Support Scheme application form which includes a State Aid declaration. Such information and evidence as the Council requires must be provided to support an application and in the event that the requested information and evidence is not provided the application may be refused. The Council will ensure that application forms are made available to business ratepayers.

4.3 Where the qualification criteria continue to be met relief under the Revaluation Support Scheme will be made each year for the life of the scheme without the need for an annual application form to be completed. Those awarded relief under the scheme must advise the Council of any

changes in their circumstances which would mean they no longer meet all the qualifying criteria.

- 4.4 The Council will identify all ratepayers it considers may be eligible for relief and will invite them to make an application for relief.
- 4.5 The website will be updated with details of the Revaluation Support Scheme so that any new ratepayers that have yet to be identified as qualifying may make an application.

## **5. Decision Making Process**

- 5.1 Decisions on granting or refusing an application will be made by the Business Rates team in accordance with this scheme which has received Cabinet approval.
- 5.2 Rating legislation provides no right of appeal against the decision of the Council not to grant relief, however, if a ratepayer is aggrieved by a decision made under this scheme they should request in writing that the decision be reviewed by someone who was not involved in the original decision.