

BUSINESS RATES - DISCRETIONARY RATE RELIEF POLICY

EFFECTIVE 1ST JULY 2014

UPDATED 19TH MARCH 2015

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.

Administration

4. The policy will be administered by the Council's Revenues service, who will determine the relief application process.
5. 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.
6. 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.
7. 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.
8. 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.
9. 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.
10. The policy will be subject to annual review and approval by the Cabinet.

State Aid Limitations

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

CATEGORY OF RELIEF	ELIGIBLE ORGANISATIONS	MANDATORY RELIEF	DISCRETIONARY RELIEF
Rural Rate Relief	Within a rural settlement with a population below 3,000, a sole general store, post office, food shop, public house or petrol station	Within a rural settlement with a population below 3,000, the following will receive 50% mandatory rate relief: <ul style="list-style-type: none"> • A sole general store, post office or food shop with a RV of less £8,500 • A sole public house or petrol station with a RV of less than £12,500 	Within a rural settlement with a population below 3,000: <ul style="list-style-type: none"> • A sole general store, post office or food shop with a RV of less £8,500, and a sole public house or petrol station with a RV of less than £12,500, may be considered for discretionary rate relief of up to 50%. • 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. • NEW FOR 2014/15: A sole general store, post office, food shop, public house or petrol station with an RV of between £16,501 and £25,000 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.
Charitable relief	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. NEW FOR 2014/15: Community Interest Companies that have charitable aims (and use profits for charitable purposes) may be considered for up to 100% discretionary rate relief.

CATEGORY OF RELIEF	ELIGIBLE ORGANISATIONS	MANDATORY RELIEF	DISCRETIONARY RELIEF
Business Development relief	<p>New non-retail SME businesses starting up, operating from new premises or premises that have been unoccupied for 12 months*</p> <p>Expanding non-retail SME 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>Not applicable</p>	<p>NEW FOR 2014/15: 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.</p> <p>This is subject to demonstrating that:</p> <ul style="list-style-type: none"> • A minimum three year lease / occupancy commitment exists* • The business will endeavour to ensure that at least 50% of the business's employees are Uttlesford residents • The business will endeavour to ensure that at least 25% of the business's supplies and services expenditure is with Uttlesford businesses. <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>
Retail Rate Relief	<p>Occupied retail premises with a RV of £50,000 or less.</p> <p>Businesses that move into retail premises that have been empty for a year or more.</p>	<p>Not applicable</p>	<p>NEW FOR 2014/15: Occupied retail premises with a RV of £50,000 or less will receive £1,000 of discretionary rate relief for the 2014/15 (approved by Full Council 27 February 2014), and £1,500 for the 2015/16 financial years.</p> <p>NEW FOR 2014/15: Businesses moving into a retail premises that has been empty for a year or more will be given a 50% discount for 18 months. This is available for businesses that move into empty premises between 1 April 2014 and 31 March 2016. (approved by Full Council 27 February 2014)</p>

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Small Business Rate Relief	Businesses with a rateable value of up to £17,999	<p>RV up to £5,999 – 50% relief (temporarily increased to 100% until 31 March 2015)</p> <p>RV £6,000 to £11,999 – 50% relief decreases on a sliding scale by 1% for every £120 of RV between £6,000 and £11,999. E.g. RV of £7,200 = 40% relief. (temporarily doubled to 100% relief with a 2% taper until 31 March 2015, e.g. RV of £7,200 = 80% relief)</p> <p>RV £12,000 to £17,999 – no relief is allowed but the bill is calculated using the small business multiplier</p>	None
Flooding Rate Relief	Businesses whose premises were flooded due to bad weather between 1 December 2013 and 31 March 2014	Not applicable	100% rate relief for three months from the date of the first flooding. (approved by Full Council 27 February 2014)
Unoccupied property rating	Any business	<p>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.</p> <p>Certain definitions and exemptions apply – please see the website.</p>	None
Hardship Relief	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.

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<p>Localised Transitional Relief</p>	<p>Those business with a rateable value of up to and including £50,000, who would have received transitional relief in 2015/2016 or 2016/2017 had the existing transitional relief scheme continued in its current format.</p> <p>In line with the existing thresholds in the transitional relief scheme, the £50,000 rateable value threshold should be based on the rateable value shown for 1/4/10 or the substituted day in the cases of splits and mergers. This policy applies to transitional relief only (i.e. those moving to higher bills).</p>	<p>Not applicable</p>	<p>Discretionary rate relief under S47 equivalent to the entitlement under the old transitional relief scheme had that scheme not ended on the 31st March 2015, and will be calculated after other reliefs have been granted. Exceptions are that,</p> <ul style="list-style-type: none"> • the cap on increases for small properties (with a rateable value of less than £18,000) in both 2015/16 & 2016/17 should be assumed to be 15% (before the increase for the change in the multiplier), and • The cap on increases for other properties (up to and including £50,000 rateable value) in both 2015/16 and 2016/17 should be assumed to be 25% (before the increase for the change in the multiplier). <p>Properties whose rateable value is £50,000 or less on the 1st April 2010 (or day of merger) but increase above £50,000 from a later date will still be eligible for relief.</p> <p>The relief will be calculated on a daily basis</p> <p>It is a condition of this award that the relief will be recalculated in the event of a change to the rating list for the property concerned (retrospective or otherwise)</p>