

**Committee: Cabinet**

**Date: 11 January  
2018**

**Title: Business Rates - Revaluation Relief**

**Author: Councillor Simon Howell and Howard Ryles**    **Key Decision: No**

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### Summary

1. Following the 2017 revaluation of all Businesses and the subsequent increased rateable values, the Government introduced new rate reliefs, to be administered under Local Authorities discretionary powers, these are funded from grants, either Section 31 or a specified grant.
2. Two reports were presented to Cabinet on the 25<sup>th</sup> May and Full Council on the 25<sup>th</sup> July for the approval of the Spring Budget Reliefs, which included Pub Relief and Revaluation Relief.
3. The current policy requires the pub relief to be awarded before our revaluation relief, which has meant that some local pubs are not being awarded the maximum amount of relief available.
4. The current policy also requires businesses to apply for the revaluation relief scheme, despite notifying all eligible businesses the take up is currently below 30%.

### Recommendations

5. The Cabinet is requested to recommend to Full Council for approval of the following amendments to the criteria of the Business Rates Relief Schemes.
  - a) That the Revaluation Relief Scheme is awarded automatically to qualifying businesses, by withdrawing the application process.
  - b) That the Pub Relief is awarded after all other reliefs have been applied.

### Financial Implications

6. Central Government have provided specific funding and the proposals contained in this report have no impact on council funds.

### Background Papers

7. The original Business Rates Relief reports can be found at the following links;  
[Cabinet\\_25 May 2017](#)  
[Full Council\\_25th July 2017](#)

### Impact

Communication/Consultation	None
Community Safety	No specific implications
Equalities	An EQIA is included with the main report
Health and Safety	No specific implications
Human Rights/Legal	No specific implications

Implications	
Sustainability	No specific implications
Ward-specific impacts	No specific implications
Workforce/Workplace	No specific implications

## Business Rates Reliefs

### Revaluation Relief

8. The Revaluation Relief Policy originally stated that this relief would be awarded by application only. Following approval of the policy in July the council notified all eligible businesses in writing of the availability of the award and how to apply.
9. The current return of businesses applying for this relief is 30% of all those who are eligible. This seems to have been a widespread issue for many councils and subsequently the Government have released the following statement;

*'We are aware that many councils are running application based processes. If you are undertaking this approach and are seeing a lower than expected uptake or are forecasting an underspend on your allocation, we encourage you to take all necessary steps to publicise the scheme and ensure all available relief is distributed as soon as possible. For example, exploring options around automatically applying discounts to eligible businesses.'*

10. This local scheme is fully funded by Government, and allows relief for companies with a rateable value of less than £200,000 and has suffered an increase of 12.5% or more.
11. The revaluation funding allocated is based on a 'use it' or 'lose it' basis.

### Pub Relief

12. The council's policy currently states that the Pub Relief is awarded before any other reliefs are applied.
13. Monitoring of the relief schemes awarded has shown that this approach is detrimental to some pubs within the district and they are losing out financially on subsequent reliefs available.
14. The amended approach to awards means that all reliefs are applied where eligible and then the pub relief of a fixed sum of £1,000 is applied to the remaining balance.

## Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
the funding allocated would need to be repaid to government and businesses will not receive the financial reliefs	2	2	By approving the amendments this would be avoided

available			
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1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.