

Appendix A

Newcastle under Lyme Borough Council

Discretionary Rate Relief Scheme 2017

Discretionary Relief Scheme

Introduction

In the last budget the Government announced the establishment of a £300m discretionary fund over four years from 2017-18 to support businesses that face the steepest increases in their business rates bills as a result of the 2017 revaluation.

Under this scheme Newcastle under Lyme Borough Council have been awarded the following amounts:

2017/18: £273,000

2018/19: £132,000

2019/20: £55,000

2020/21: £8,000

Total: £468,000

All billing authorities have to develop their own Business Rates Discretionary Relief Scheme and are required to consult with precepting authorities (in order to qualify for our share of the Discretionary Relief Fund) and to determine how it is to be distributed amongst local businesses affected by the rate revaluation.

The Council will be compensated for any relief granted under section 31 of the Local Government Act. Any underspend must be returned to the Treasury and monies may not be vired between years.

Proposed Scheme

Newcastle under Lyme Borough Council is keen to identify ratepayers who may qualify for the relief. The Council will look to simplify the application process wherever possible, and will look to encourage eligible ratepayers to apply but will expect any ratepayers to provide such information as is required by the Council to support their application.

The Council has decided that relief under the scheme will be awarded using the following criteria:

- a) The scheme is designed solely to assist ratepayers who have suffered significant increases in rate liability due to the revaluation and the subsequent increase to their rateable value.
- b) No relief can be granted to a precepting authority.
- c) In assessing any potential entitlement to an award under this scheme, the Council will compare the following:
 - i. The rate liability at 31st March 2017 for the 2016/17 financial year after any reliefs and reductions; and
 - ii. The rate liability of the ratepayer at 1st April 2017 for the 2017/18 financial year taking into account any transitional relief, small business rates relief or rural rate relief granted under any other provision.
- d) Relief will only be given to premises which are liable for occupied rates. No relief will be granted for unoccupied premises or where the premises becomes re-occupied.

- e) Relief will only be granted to ratepayers who were in occupation at 31st March 2017 and in occupation on the 1st April 2017. Relief will cease immediately the property becomes un-occupied or has a new occupier and will not be re-granted
- f) Ratepayers taking occupation after the 1st April 2017 will not be eligible for the relief on the basis that they would not have suffered from increases due to the revaluation.
- g) Relief will be targeted to local businesses and not those businesses that are national or multi-national in nature. Local businesses are, for the purposes of this scheme, those which have premises wholly in the Council's area.
- h) Relief will not be granted if the property is occupied by Payday lenders or short term high interest loan companies, Pawn Brokers, Bookmakers and Gambling establishments, E-cigarette/vaping shops, Off Licences, sex establishments or similar establishments. The Final discretion on acceptability lies with the Council
- i) Relief (or further relief) will not be granted where the property has an increase in Rateable Value after the 1st April 2017 which increases the rate charge above the 1st April 2017 value.
- j) Where a ratepayer is in receipt of any award under this scheme, the Council will not consider any application for relief under Section 44a of the Local Government Finance Act 1988 for the same hereditament.
- k) All payments under this relief are subject to European funding regulations and all recipients must satisfy the Council of their eligibility.

Amount of Relief

Newcastle under Lyme Borough Council is proposing that relief will be awarded based on a formulaic approach (except for year 4 of the scheme when, due to the low value of funds available, claims will be assessed individually). We estimate that the allocation of funding from the Government could be used to offer eligible businesses discounts on the increase in their 2017/18 business rates bill as below.

Relief will be awarded as a percentage of the rates increase between 2016-17 and 2017-18

2017-18	45% of increase 2016-17 to 2017-18 (after other reliefs)
2018-19	48% of 2017-18 relief
2019-20	42% of 2018-19 relief
2020-21	Individual applications will be considered in exceptional circumstances only.

These percentages will be reviewed (and possibly amended) in February 2018.

Administration and Applications

Applications will not be required (except year 4). The relief will be awarded automatically to qualifying ratepayers.

Ratepayers will however be required to contact the Council should they not be eligible under State Aid De Minimis regulations (1407/2013).

(The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).

Variation and Amendments

As with all reliefs the amount of relief awarded under this Discretionary Scheme will be recalculated in the event of a change in circumstances. In effect the relief is calculated on a daily basis in line with the rate payers liability on that day.

The scheme will allow the Council to review and amend the amount of relief during the year to reflect changing circumstances. The Council may revisit the percentages at any time.