

## Barking & Dagenham Local Discretionary Business Rate Relief Scheme 2018/19

### 1. Introduction

1.1 The Local Discretionary Business Rate Relief Scheme will apply for the billing period 1 April 2018 to 31 March 2019 only. Under the proposed scheme the relief will only be provided where an applicant's bill has increased due to the 2017 revaluation and not due to any loss of relief or change in circumstances.

1.2 The Government has allocated £300m to Local Authorities to give in relief. Barking and Dagenham has been allocated the following funds:

Year	2017/18	2018/19	2019/20	2020/21
Relief	£530k	£258k	£106k	£15k

1.3 The Government has distributed the £300m based upon the bill increases of properties given the following criteria: their business rates bill is increasing by more than 12.5% following revaluation, and their rateable value is less the £200k. Bill changes were calculated using the multiplier after inflation and with adjustment for appeals (0.466). Central list properties are excluded from the analysis. This is based on the VOA's draft 2017 rating list (September 2016)

1.4 As per the table above the level of relief awarded will reduce over the four-year period. This policy will be reviewed annually with the view to adjust the percentage of award to ensure that this falls in line with the allocated budget.

1.5 In cases where a recipient of the relief has their 2016/17, 2017/18 or 2018/19 bill reduced due to any of the following reasons, the relief will be reduced or removed accordingly and the Ratepayer will be given 12 months from date of the alteration to pay any debt that has been created as result of a relief adjustment:

- A reduction in rateable value in the 2010 and/or the 2017 lists;
- The provision of a certificated value for the 2010 rating list or a historical change;
- The application of any retrospective rate relief and/or exemption;
- Vacation or reoccupation of the property the relief is being awarded for;
- Any other reason that results in the charge being retrospectively reduced in respect of either/all of the 2016/17, 2017/18 & 2018/19 financial years.

1.6 Ratepayers in occupation of properties who benefit from the scheme will have to have a property with a rateable value of below £70,000 (BRS limit 2017/18) and will have to fall into one of the categories listed below:

- Shops (including: Florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, newsagents/convenience stores, hardware stores.
- Charity shops
- Opticians

- Furnishing Shops / display rooms (such as: carpet shops, double glazing, garage doors)
- Car/vehicle show rooms
- Car sale Lots
- Markets
- Garden Centres
- Art Galleries (where art is for sale)
- Shoe repairs/ key cutting
- Travel agents
- Dry cleaners/laundrettes
- PC/TV/domestic appliance repair
- Funeral directors
- Photo processing
- Game/DVD rental
- Tool hire
- Hair and beauty services
- Restaurants/Cafes and Takeaways.
- Coffee/sandwich shops
- Pubs and Bars
- Financial institutions that are of a direct benefit to the local community e.g. credit unions.

1.7 Please note that the following types of uses are not eligible for local discretionary business rate relief:

- Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, betting shops, amusement arcades, pawn brokers)
- Professional services (e.g. solicitors, accountants, insurance agents/financial advisers, tutor)
- Post office sorting office
- This list is not exhaustive the Council reserves the right to refuse this relief.

1.8 Further Exclusions – For properties where any of the following apply the ratepayer will not be eligible for local discretionary business rate relief:

- multiple properties that are operated by the same organisation / business. This applies where the business runs three or more properties in the U.K or in the U.K and overseas.
- Ratepayers in receipt of small business rate relief support which limits increases on small properties caused by the loss of small business rates relief to £600.
- Ratepayers who have been in occupation of the property in question for less than 31 days prior to the 1 April 2017.
- Properties which were not on the rating list at 1 April 2017. (Relief will not apply where properties are entered the list retrospectively).
- Properties which are unoccupied.
- Rate Payers where any arrears due from 2016/17 or earlier are not cleared by 31 May 2017 or are not in an arrangement plan which is up to date, unless the Rate Payer can demonstrate they are in arrears due to genuine hardship.
- Multinational / international companies
- Housing associations / Tenant's management organisation.

- Where the award of relief would not comply with EU law on State Aid.

1.9 The application form requires you to confirm that you have not received any other State Aid that exceeds in total €200,000, including any other rates relief (other than exemptions, transitional or mandatory reliefs) you are being granted for premises other than the one to which this declaration and letter relates, under the De Minimus Regulations EC 1407/2013.

1.10 Under the European Commission rules, you must retain this guidance for three years and produce it on any request by the UK public authorities or the European Commission. (You may need to keep this guidance longer than three years for other purposes). Furthermore, information on this aid must be supplied to any other public authority or agency asking for information on 'De Minimus' aid for the next three years.

1.11 Further information on State Aid law can be found at <https://www.gov.uk/state-aid>

### **Hardship**

1.12 In cases where the rateable value of a property is greater than £70,000 but less than £150,000, and the Rate Payer can clearly evidence that the 2017 revaluation has caused them to suffer significant financial hardship, the Council will consider an application for relief providing the following evidence is supplied:

- The past three financial years (if applicable) audited accounts; and
- A summary statement as to why the revaluation has had a direct effect upon the Rate Payer's finances.

1.13 The amount of relief awarded will be at the discretion of the Council and may not fall in line with the above percentage of relief awarded.

1.14 All other qualifying criteria apply, including the right of appeal.

## **2. How the proposed Local Discretionary Business Rate Relief is Calculated:**

2.1 Local discretionary business rate relief is calculated after all other reliefs have been applied, i.e. small business rates relief.

2.2 The calculation made to determine the amount of relief does not include the business rates supplement (Crossrail).

2.3 The maximum percentages of local discretionary business rate relief available are shown in the table below:

### **Eligible Properties – Rateable Value up to £70,000**

<b>Increase in business rates</b>	<b>Percentage of relief</b>
Less than 1%	0%
More than 1 %	3.5%

### **3. The Application Process**

- 3.1 All applications must be completed in full. Incomplete forms will not be returned to the applicant and relief will not be awarded.
- 3.2 Applications cannot be backdated prior to the year of application unless the payable amount has been changed by a change to the rateable value.
- 3.3 The Council's decision is final, there is no right of appeal.
- 3.4 Relief will end at the end of each financial year and will not carry forward through the four years. Applications must be made for each subsequent year.
- 3.5 Business Rates must be paid whilst the application is being assessed.