

LOCAL DISCRETIONARY RATE RELIEF SCHEME FOR REVALUATION SUPPORT PRESTON CITY COUNCIL

This scheme forms part of the Council's wider Local Discretionary Rate Relief Policy. It sets out the principles upon which the Council will administer applications for revaluation support from those ratepayers facing the steepest increases in their business rate bill as a result of the 2017 revaluation.

This document sets out the broad framework of principles to be used in decision making for this new scheme covering the four financial years from 1 April 2017 (i.e. ending on 31 March 2021).

Under the scheme, support will only be allowable where a hereditament's rateable value for 2017/18 is less than £200,000 and where a qualifying ratepayer's bill has increased above £600, as a result of the 2017 revaluation.

Subject to the impact upon the Council's overall financial position, relief will be awarded to qualifying applicants up to a maximum amount. This will be sum of the ratepayers' net rate charge for 2017/18 less the £600 minimum increase. The ratepayer must therefore pay at least the first £600 of any increase due under revaluation, drawing on other rules in place that apply to small businesses.

As this relief is discretionary, the Council will not grant support in any case where it is not considered appropriate to do so, for example where granting the relief would go against the authority's wider objectives for the local area. Under this same principle, empty properties will also be excluded, as the Council discourages leaving property empty as it strives to achieve a vibrant business community.

In making a judgement, Officers will consider the interests of the ratepayer against that of council tax payers in general, taking into consideration local factors.

Scheme Principles:

- the rateable value for 2017/18 must be less than £200,000
- the net rates charge for 2017/18 must have increased in comparison to that for 2016/17
- the ratepayer must have been in continuous rateable occupation prior to 1st April 2017 and liable for a rate charge on 31st March 2017. (Ratepayers occupying premises after 1st April 2017 will not be eligible for relief)
- unoccupied properties will not be eligible for relief
- properties that are not registered on the rating list for a period covering 1st April 2017 will not be eligible for relief
- businesses who benefit from the small business relief cap of paying no more than £50 per month extra (£600 per year) when compared to last year will not be eligible
- businesses whose increase in the amount they are paying compared to last year is less than £50 per month (£600 per year) will not be eligible (to mirror the protection provided for small businesses)
- ratepayers operating an intermittent occupation / tax mitigation / avoidance scheme will not be eligible for relief
- the scheme will target local or regional (North West) organisations. National or multi-national companies, NHS and public sector organisations will not be considered under the scheme
- In line with the previous principle, multiple property owners and/or occupiers may not be considered eligible for relief
- Any award will be evidenced by a completed application form, including State Aid compliance. Relief will not be awarded where the award would not comply with EU law on State Aid.

Liability Adjustments:

Where a qualifying ratepayer's rates bill (from 2016/17 as appropriate) is adjusted for any of the following reasons, the amount of their relief due under the terms of this policy will be adjusted or removed accordingly:

- an amended rateable value in the 2010 and, or 2017 rating lists
- the provision of a certificated value for the 2010 rating list or historical change
- the application of any additional rate relief or exemption
- vacation and re-occupation of the property
- any other reason

Future Years:

The scheme for this financial year will end on 31 March 2018, with an entitlement period covering 1st April 2017 to 31st March 2018. The scheme however is based upon a 4 year Government initiative and therefore for Years 2, 3 & 4, relief awarded to qualifying individuals will be reduced in line with the Government's specified level of reduction over the four year term:

Year 1	£101k
Year 2	£49k
Year 3	£20k
Year 4	£3k

Allocation Arrangements

The local scheme aims to distribute no more than the Government grant provided in any year for this purpose. Subject to the scheme principles, support will be provided on a % basis, set against the rate increase incurred from financial year 2016/17 to 2017/18, and taking into account the first £600 ceiling that all ratepayers need to pay.

A further review will be undertaken at year end to assess expenditure levels in relation to grant. Any surplus funds will be used to assist other local individual businesses, including those with assessments over the £200k rateable value threshold, facing a rate increase above £600 as a result of the Revaluation and suffering financial hardship. A report will be compiled detailing any such cases for approval by the Executive Member for Resources & Performance.

Decision Making & Appeals:

In line with the Council's wider rate relief decision-making arrangements, all decisions regarding the granting of applications of relief under this Policy are determined by the Deputy Director (Customer Services)/Head of Shared Services.

Under the Local Government Finance Act 1988, there is no statutory right of appeal against the Council's use of discretionary powers. The Council will however accept a customer's request for a review of its decision, with appeals to be presented to the Director (Customer Services) for further consideration.

State Aid:

The application form will require the ratepayer to confirm that they 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) they are being granted for premises other than the one to which this declaration and letter relates, under the De Minimis Regulations (EC 1407/2013).