

## TRAFFORD COUNCIL

**Report to:** Executive  
**Date:** 19 March 2018  
**Report for:** Decision  
**Report of:** Executive Member for Corporate Resources

### Report Title

Business Rates Discretionary Rate Relief Policy 2017 Revaluation – Further Amendments to Maximise Funding

### Summary

Government funding is available through a discretionary fund over four years from 2017/18 to support those businesses most affected by an increase in rating valuations as a result of the 2017 revaluation. The Council agreed a revised policy in September 2017, however, there is still funding available in 2017/18 for businesses and therefore further changes are required to the existing policy to ensure that the Council maximises the funding available

### Recommendation(s)

To recommend:

1. That the Executive approves the proposed amendments to the Business Rates Discretionary Rate Relief Policy 2017

### Contact person for access to background papers and further information:

Name: Louise Shaw  
Extension: 3120  
Background Papers: None.

Relationship to Policy Framework/Corporate Priorities	Key Priorities: Strong economy
Financial	The amendments are within the allocated DCLG funding and a provision has been made regarding appeals.
Legal Implications:	The Localism Act 2011 provides local government

	with greater flexibility with regards to discretionary relief and exemptions for Business Rates.
Equality/Diversity Implications	The proposal will have positive outcomes and ensure government funding is maximised and targeted at those businesses who have been most adversely impacted by the national revaluation exercise.
Sustainability Implications	None
Resource Implications e.g. Staffing / ICT / Assets	None
Risk Management Implications	None
Health & Wellbeing Implications	None
Health and Safety Implications	Not applicable

## 1.0 Background

- 1.1 At the Spring budget, the Government announced the establishment of a £300m discretionary fund over four years from 2017/18 to support those businesses in their area that have been those most affected by an increase in rating valuations as a result of the 2017 revaluation.
- 1.2 Each Local Authority was tasked with devising a scheme, which Trafford Council did based on assumptions known at the time.
- 1.3 Trafford Council's Executive approved a scheme in June 2017, which was further enhanced in September 2017 - see Appendix A for the scheme's qualifying criteria. These criteria were devised to ensure the reliefs were targeted to those who most needed it and equate scheme costs with the amount of funding available.

## 2.0 Introduction

- 2.1 The approved Council's scheme is working largely as intended but there are 2 main contributing factors as to why the 2017-18 funding amount (£346k) hasn't been maximised, they are:
- Some Rateable Values have been reduced following an in-year appeal and therefore the businesses no longer fall into the eligibility criteria and;
  - The application form for the relief has not been returned from a large number of businesses, despite a targeted up-take campaign which included additional contact by phone or personal visit
- 2.2 Officers have reviewed the operation of the scheme and have revisited the scheme criteria and business rates data to establish how to maximise the government funding, in particular in relation to Year One (2017-18) where the funding is at its highest level, awarded to Trafford businesses.

### 3.0 Proposed Amendments

3.1 In order to ensure funding is utilised it is therefore proposed that the policy is amended to change the qualifying criteria, below are the changes proposed, for the full proposed scheme see Appendix B:

- **All Years – Eligibility Criteria**
- Remove the requirement to complete and submit an application form – to ensure the state aid rules are adhered to, an award letter will be sent clearly stating the value of the relief and to advise the Council without delay if the business already has been awarded maximum relief
- Multiple property owners and/or occupiers **will** be eligible for relief (previously excluded, national property owners remain excluded)
- **In Year One (2017/18) – Maximum Funding £346k**
- Remove the requirement of a rateable value increase of more than 12.5% and an increase in the billing amount of more than 12.5% when compared to 2016-17 for properties that have a rateable value of between 15,001 and 50,999 **only** (to support the smaller businesses that do not qualify for Small Business Rates Relief)
- **In Year Two (2018/19) – Maximum Funding £168k**
- Subject to maximum funding levels, apply the above Year One amendment (due to on-going rateable value and liability changes it is not possible to be accurate on spending levels for this change at this time).

#### **Other Options**

The Council could maintain its existing policies and not make the amendments but due to the funding constraints this would mean returning government funding meant for local businesses.

#### **Consultation**

No formal consultation has taken place.

#### **Reasons for Recommendation**

The reason for the recommendations is as set out at the beginning of the report

**Key Decision** Yes

**If Key Decision, has 28-day notice been given?** Yes

Finance Officer Clearance NB  
Legal Officer Clearance DA

**CORPORATE DIRECTOR'S SIGNATURE**



To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.

## Appendix A

### Trafford Council's Business Rates 2017 Revaluation Support Eligibility Criteria as approved in September 2017

#### All Years

- the rateable property has a rateable value for 2017-18 that is less than £200,000;
- the rateable value has increased by more than 12.5%;
- the ratepayer must have been in occupation continually since pre 1 April 2017
- after all other reliefs have been applied, the increase in the billing amount is more than 12.5% in 2017-18;
- the ratepayer must have employees based in the hereditament on which relief is being sought;
- Ratepayers operating an intermittent occupation tax mitigation/avoidance scheme will not be eligible for any relief;
- Ratepayers with an outstanding appeal will not be eligible for any relief (as the Council will be unable to determine the financial impact on the business until the appeal is concluded) – any backdated requests once the appeal has been settled will be limited to the financial year in which the application is received due to the way in which the government is funding the scheme;
- National companies, national charities and public bodies will not be eligible for any relief;
- Multiple property owners and/or occupiers will not be eligible for any relief; and
- Hereditaments wholly or mainly being used as betting shops, payday loan shops, pawnbrokers or shisha bars will not be eligible for relief.
- a discretionary award must only be applied after all other reliefs have been applied and cannot exceed the maximum liability due
- refunds will not automatically be issued - any credits due resulting from a relief being applied will be credited to future years accounts unless a request is received

#### Year One (2017/18)

- Subject to the qualifying criteria being met, a maximum relief of £3k will be awarded.
- for schools and private day nurseries, award the full difference between the 2016/17 and 2017/18 charge even where that exceeds £3k
- remove the £50 per month cap, therefore eligibility for small businesses subject to a <£50 increase

#### Year Two (2018/19)

- Subject to the qualifying criteria being met, a maximum relief of £1.5k will be awarded.

- for schools and private day nurseries, award the full difference between the 2017/18 and 2018/19 charge even where that exceeds £1.5k
- remove the £50 per month cap, therefore eligibility for small businesses subject to a <£50 increase

### Year Three (2019/20)

- Subject to the qualifying criteria being met, a maximum relief of £750 will be awarded.
- businesses who will benefit from the small business rate relief cap of paying no more than £50 per month when compared to last year will not be eligible
- businesses whose increase in the amount in what they are paying compared to last year is less than £50 per month will not be eligible (to mirror the maximum protection for small businesses)
- if the pub relief is extended then those with a rateable value of less than 100k will not be eligible as they will get the £1k

### Year 4 (2020/21)

- Subject to the qualifying criteria being met, an individual business can apply for a maximum relief of £500 in writing clearly stating why they remain adversely affected by the 2017 revaluation. Each case will be considered on its own merits in line with the Council's discretionary rate relief policy.
- businesses who will benefit from the small business rate relief cap of paying no more than £50 per month when compared to last year will not be eligible
- businesses whose increase in the amount in what they are paying compared to last year is less than £50 per month will not be eligible (to mirror the maximum protection for small businesses)
- if the pub relief is extended then those with a rateable value of less than 100k will not be eligible as they will get the £1k

## Appendix B

### Trafford Council's Proposed Revised Business Rates 2017 Revaluation Support Eligibility Criteria for approval by Executive in March 2018

#### All Years

- the rateable property has a rateable value for 2017-18 that is less than £200,000;
- the rateable value has increased by more than 12.5%;
- the ratepayer must have been in occupation continually since pre 1 April 2017
- after all other reliefs have been applied, the increase in the billing amount is more than 12.5% in 2017-18;
- the ratepayer must have employees based in the hereditament on which relief is being sought;
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#### Year Two (2018/19)

- Subject to the qualifying criteria being met, a maximum relief of £1.5k will be awarded.
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