

Appendix 2

City of Wolverhampton Council

**Business Rates Discretionary Relief
(Revaluation Support) Policy**

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1. Introduction

- 1.1. This policy sets out circumstances in which relief can be awarded to ratepayers facing an increase in their rates bill because of the national business rates revaluation which took effect from 1 April 2017.
- 1.2. In the Spring Budget 2017 the Chancellor announced £300 million of additional funding to provide financial support to businesses whose rates bill had increased. City of Wolverhampton Council will receive £670,000 of this funding, spread over the four years from 2017-2018 to 2020-2021 with only £11,000 being available for 2020-2021.
- 1.3. The Government advised councils to use discretionary powers under Section 47 of the Local Government Finance Act 1988 (as amended by the Localism Act) to develop a scheme for relief that will distribute the additional funding.
- 1.4. The amount of relief given to a business will be proportionate to the amount by which its rates bill has increased.
- 1.5. Relief will focus on small and medium sized businesses, over national and multi-national businesses, on the basis that the latter are more likely to be able to pay an increased bill and because they are likely to have a mixture of increases and decreases in rates bills across their estate nationally.

2. Purpose and principles of the policy

- 2.1. The purpose of this policy is to:
 - a) Ensure that all considerations for awards are dealt with in a fair, consistent and equal manner
 - b) Set a framework for how the council will make the award
 - c) Make clear the limited criteria under which relief will be awarded.
- 2.2. The council will identify those ratepayers who are eligible for revaluation relief under this policy framework.
- 2.3. This policy has been written in line with government guidance and awards will only be considered where the conditions to receive full reimbursement from Government are met. Any amendments to government guidance that further restrict the scope of awards qualifying for full reimbursement will take precedence over this policy.

3. Requirements for applications

- 3.1. Applications will not be required as eligibility can be determined from data held by the Council.
- 3.2. The Council will request any supporting evidence it considers necessary to properly assess the award.
- 3.3. Ratepayers must continue to pay any amount of rates that falls due whilst an award is under consideration.

4. Eligibility for the scheme and decision making

- 4.1. Relief is available to businesses occupying properties which have a rateable value of less than £200,000 at 31 March 2017. Where a business has more than one property within the City with a combined rateable value of £200,000 or more then the business will not be eligible for relief under this scheme.
- 4.2. Relief for 2017-2018 is awarded to eligible properties where the increase in rates payable after other reliefs is £25 per year or more. Calculated as the increase in the businesses annualised liability, against the same property, occupied by the same ratepayer from 2016-2017 to 2017-2018.
- 4.3. For the 2017-2018 financial year, relief is awarded to cover the full amount of the increase, so that the ratepayer will see no increase in their 2017-2018 bill in comparison to their 2016-2017 bill because of revaluation.
- 4.4. For the 2018-2019 financial year, relief is awarded to cover 70% of the increase so that the ratepayer will see no more than 30% increase in their 2018-2019 bill in comparison to their 2016-2017 bill because of revaluation.
- 4.5. For the 2019-2020 financial year, relief is awarded to cover 40% of the increase, so that the ratepayer will see no more than 60% increase in their 2019-2020 bill in comparison to the 2016-2017 bill.
- 4.6. For the 2020-2021 financial year, relief will be awarded to cover 40% of the increase on properties with a rateable value of £15,000 or less, so that these ratepayers will see no more than 60% increase in their 2020-2021 bill in comparison to the 2016-2017 bill.

- 4.7. There is no limit to the number of properties against which a single business may receive relief under this scheme, subject to state aid rules and exclusions in section 5.

5. Exclusions

- 5.1. Relief will not be paid to ratepayers / properties in the following circumstances
- a) Properties occupied by charitable or not for profit organisations or Community Amateur Sports Clubs that are eligible for mandatory or discretionary charitable relief
 - b) Properties that are unoccupied
 - c) Land and car parks
 - d) Properties occupied by City of Wolverhampton Council or any other precepting authority
 - e) Properties occupied by public sector organisations, including surgeries, health centres and hospitals
 - f) Ratepayers occupying properties on or after 1 April 2017
 - g) Properties that were not in the rating list on 1 April 2017 (relief will not apply where properties are entered into the rating list retrospectively)
 - h) Properties that are occupied by national and multi-national companies¹ with multiple hereditaments.

6. Recalculation of reliefs

- 6.1. The amount of relief awarded under the revaluation support relief scheme will be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value, or the business moves out.
- 6.2. A recalculation could happen in any year of the scheme provided the qualifying conditions are met.

7. Other reliefs

- 7.1. Revaluation support relief will be calculated after the application of all other reliefs with the exception of relief for pubs.

¹ A group of outlets owned by one company and with a presence in at least three UK regions (England - North East; North West; Yorkshire and The Humber; East Midlands; West Midlands; East of England; London; South East; South West, Wales and Scotland) or worldwide, with similar appearance and providing similar services or goods across the outlets.

8. Duration of awards

- 8.1. Relief will be applied for the four financial years 2017-2018 to 2020-2021 and will be extended only if government funding is made available to extend the scheme beyond 2020-2021.
- 8.2. A revised bill will be issued reflecting any relief granted.
- 8.3. If a business moves out of a property, the relief will be apportioned to the date of leaving.
- 8.4. Ratepayers are required to notify the Council immediately of any change in circumstances that may affect their entitlement to relief.

9. State aid

- 9.1. The State Aid rules regulate public sector intervention, with the aim of ensuring fair competition and the proper functioning of the single market.
- 9.2. Relief will not be awarded in any circumstances where it appears that an award will result in the ratepayer receiving state aid that is above the De Minimis level. For most organisations, this is currently equivalent to €200,000 within a three-year period.
- 9.3. As awards, will be made without the need for an application, each ratepayer will be required to declare if receipt of relief under this scheme would result in them receiving state aid in excess of the De Minimis level.

10. Review process

- 10.1. There is no statutory right of appeal against a decision made by the Council regarding discretionary rate relief. However, the Council recognises that ratepayers should be entitled to have a decision reviewed if they are dissatisfied with the outcome.
- 10.2. The Council will accept a written request for a review of its decision. The request should include the reasons for requesting a review and any supporting information.
- 10.3. A request for review must be made within one calendar month of the date of the decision letter.
- 10.4. Reviews will be considered by an officer independent of the original decision maker.
- 10.5. The applicant will be notified of the outcome of the review in writing.

- 10.6. This review process does not affect a ratepayer's legal right to seek leave to challenge a decision by way of a Judicial Review.