

Revaluation Support

In the Government Budget on 8th March 2017, the Chancellor announced £300m of extra funding for local authorities across England to provide discretionary relief to those businesses facing increases in their business rates bills following the revaluation. The Government have described this initiative as 'revaluation support' and required Local authorities to design their own discretionary business rates relief schemes to determine how this 'revaluation support' is distributed across businesses locally.

The 4 year funding available to Crawley Borough Council is £570,280 but is not provided equally over the four-year period but in the following percentage terms:

Year 1 ...58%

Year 2 ...28%

Year 3 ...12%

Year 4 ...2%

The funding available to Crawley is therefore :-

2017/18 £332,663

2018/19 £161,579

2019/20 £66,533

2020/21 £9,505

Discretionary Business Rate Revaluation Relief (Scheme limitations, operation and qualification criteria)

- The Government has placed a condition that extra funded relief can only be targeted at businesses with a Rateable value below £200,000 which have seen their rates bills increased in April as a result of the 2017 national revaluation after all other adjustments (e.g. other relief schemes) have been applied, this includes small business rates relief.
- Charities, Community Amateur Sports clubs, charging and precept authorities are excluded from the discretionary revaluation business rates relief scheme.
- The Non-Domestic Rating (Discretionary Relief) Regulations 1989 (S.I. 1989/1059) normally require authorities to provide ratepayers with at least one year's notice in writing before any decision to revoke or vary a decision so as to increase the amount the ratepayer has to pay takes effect. Such a revocation or variation of a decision can normally only take effect at the end of a financial year but within these regulations, local authorities may still make decisions which are conditional upon eligibility criteria or rules for calculating relief which allow the amount of relief to be amended within the year to reflect changing circumstances. Therefore, when making an award for the support for ratepayers, Crawley is making it a condition of any award that the relief can be recalculated in the event of a change to the current or preceding rating list for the hereditament concerned (retrospective or otherwise). This is so that the relief can be re-calculated if the rateable value reduces. Similarly other reductions in liability will be reflected in a recalculation of the net amount of the award and will be subject to a Government claw back of the funded relief.
- In all cases, the cumulative relief awarded cannot exceed any residual amount available for the year in the Revaluation support fund provided by the Government
- The Government has announced that it may claw back any unused funds at the end of the financial year so applications and de minimis state aid declarations will need to be received and processed before 31/3/18 in order to ensure that funding for the scheme is still in place

Relief under the Crawley Borough Council scheme may be awarded (subject to De Minimis State Aid limits) using the additional following criteria:

- a) The scheme is aimed to assist qualifying ratepayers with Rateable Values between £20,000 and £199,999 who have suffered 2017 increases in rate liability (2016 NCA v 2017 NCA) due to the national 2017 Business Rates revaluation and a consequential increase to their Rateable Value (see fund allocation section below)
- b) Potential recipients must comply with De Minimis State Aid requirements. State Aid is the means by which the EU regulates state funded support to businesses. Discretionary relief falls within the definition and in order to be compliant with the De Minimis Regulations, Ratepayers must demonstrate that the award of relief is within the threshold of €200,000 received over a rolling 3 year

period. Businesses will be required to declare to the Council if they exceed this threshold and must complete a declaration form if requested to do so in order to receive any relief.

- c) In assessing potential entitlement to an award under this scheme, the Council will compare the rate liability of the ratepayer at 31st March 2017 (**A**); and the rate liability of the ratepayer at 1st April 2017 taking into account any transitional relief or discretionary relief (**B**). Relief may be awarded for 2017 where the calculation **A – B** would result in a 2017 increase above the fund allocation limits (see section below) compared to 2016 (subject to De Minimis State Aid limits)
- d) Relief may only be granted to ratepayers who were liable at 31st March 2017 and liable on the 1st April and for each day subsequently. Ratepayers becoming liable after the 1st April 2017 will **not** be eligible for relief on the basis that new ratepayers would have not suffered from increases due to the national 2017 revaluation
- e) Relief may be awarded for more than one premises as long as all other criteria are met
- f) No relief will be applied where the calculation of an annual relief would result in the potential award being less than £10.00 due to the costs involved in administering the reduction
- g) Relief will **not** be awarded to a ratepayer of a Hereditament with a Rateable Value of less than £20,000 who may be entitled to small business rates relief or would otherwise be facing a pre inflation increase not greater than 5% and those with Rateable Values in excess of £200,000.
- h) Relief will **not** be awarded to hereditaments who are wholly or mainly used by:
 - Accountants and Accountancy firms including Financial Advisors;
 - Banks and Building Societies;
 - Betting and gambling establishments;
 - Cash Machines and ATMs;
 - Charity Shops (where mandatory relief is given or not)
 - Foreign Exchange Bureaus;
 - Insurance Agents;
 - Pawn Brokers, Cheque encashment and Pay Day Lenders;
 - Telecommunications hereditaments including cable and networking;
 - Public Utilities such as Water and Power Companies
 - Where the award of relief would not comply with EU law on State Aid

Discretionary Revaluation Business Rate Relief Fund Allocation

Relief is to be granted using discretionary relief powers under Section 47 Local Government Finance Act 2008

The level of relief awarded has been calculated to substantially utilise the funding provided for this scheme if full take up is achieved.

For the **2017/18** financial year, the relief may be granted (subject to the limits of Government funding awards less any funds clawed back and De Minimis State Aid requirements) as follows;

- Where the Rateable Value of the hereditament at 1st April 2017 is greater than £20,000 but less or equal to £100,000 relief may be granted with the aim to limit the increase to 7.5 % + inflation and applied as a percentage reduction rounded down to 1 decimal place)
- Where the Rateable Value of the hereditament at 1st April 2017 is greater than £100,001 but less than £200,000 relief may be granted with the aim to limit the increase to 17.5 % + inflation and applied as a percentage reduction rounded down to 1 decimal place)

For the **2018/19** financial year, the relief may be granted as follows;

- Based on the 2017/18 annual relief x 48.5% (% Relief will be calculated to 1 decimal place and may be awarded where the value exceeds £10.00 subject to De Minimis State Aid Limits)

For **2019/20** financial year, the relief may be granted as follows;

- Based on the 2018/19 annual relief x 41.2% (% Relief will be calculated to 1 decimal place and may be awarded where the value exceeds £10.00 subject to De Minimis State Aid Limits)

For **2020/21** financial year, the relief may be granted as follows;

- Based on the 2019/20 annual relief x 15% (% Relief will be calculated to 1 decimal place and may be awarded where the value exceeds £10.00 subject to De Minimis State Aid Limits)

This funded scheme will automatically expire on 31/3/2021

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If you believe that you may qualify, please let the rates office know who you are and the address(es) in Crawley for which you are claiming and also complete, sign and return the declaration below to :-

Business Rates, Crawley Borough Council
Town Hall, The Boulevard, Crawley Borough Council RH10 1UZ

Or email an image of the completed form to :-
Rates@crawley.gov.uk

DE MINIMIS STATE AID DECLARATION

If you qualify, please note that you are being offered discretionary assistance under Section 47 LGFA 1988 which is also subject to the European Commission's de minimis regulation (Commission Regulation (EC) No 1998/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to de minimis aid Official Journal L 379 of 28.12.2006). This allows an enterprise to receive up to €200,000 worth of assistance over any three fiscal year period.

To confirm that you are able to receive this assistance you must declare the full amount of de minimis aid you have already received over the past two fiscal years and the current year.

Potentially any assistance you may have received from a public body might be de minimis aid. This could be from central, regional, devolved governments or agencies or a local council. However, in this declaration you must only include aid that was strictly classified as de minimis

I declare that the amount of aid received by

.....[insert name of organisation] is less than €200,000 worth of assistance over the last three fiscal year period. (if £0.00. please state "none" below)

For information purposes, please indicate details of any substantial items of assistance in the following table.

Year of assistance	de minimis vaue (£)	comments
Total		

Signed Date

Name.....

Position

Contact phone No.

Email address

It is important to note that an undertaking is an entity in any legal form whatsoever which is engaged in an economic activity and our understanding is that a group of companies may be considered to be an undertaking and this therefore include all subsidiary companies within it

For information and currently (Oct 2017). 1 GBP = 1.1411 EUR and 200000 EUR = 175270 GBP.

http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/index_en.cfm