

**Cheltenham Borough Council Policy for
Local Discretionary Business Rates Relief Schemes
Cabinet 03 March 2020**

The policy sets out the Council's Local Discretionary Rate Relief Schemes for 2020/21 under section 47 of the Local Government Finance Act 1988, as amended.

Section 1: Retail Discounts

Retail discounts will be available in the financial years 2019/20 and 2020/21 for occupied retail properties with a rateable value of less than £51,000. The discounts will end on 31 March 2021.

In 2019/20 the discount is one third of the rates payable after mandatory reliefs, supporting small business relief and local revaluation support 2019/20.

In 2020/21 the discount is fifty per cent applied after mandatory reliefs, supporting small business relief but before pub discount and other discretionary reliefs.

The discounts will be awarded in line with the detailed guidance issued by the Ministry of Housing, Communities and Local Government. State Aid rules as detailed in section 3 will apply and the relief will be administered as detailed in section 4.

Section 2: Local Revaluation Support

The revaluation support scheme is available to businesses with increased rate bills on 1st April 2017 compared to 2016/17 bills, as a result of the 2017 revaluation. As the relief is based on increases due to revaluation it is only applicable in 2018/19 and 2019/20 to those businesses continually in receipt of relief since 1st April 2017, provided the qualifying conditions continue to be met.

2020/21 is the final year of this scheme and relief will end on 31 March 2021. In 2020/21 relief will only be applicable to those businesses which have continually been in receipt of the relief since 1st April 2017, meet the qualifying conditions below are not also in receipt of one of the following reliefs:

Transitional relief
Small business rate relief
Supporting small business relief
Retail discount
Pub discount
Any other mandatory or discretionary reliefs

Qualifying Conditions

Revaluation Support will only be awarded in respect of the rates payable for a property where the following conditions are met

- There has been an increase in the rates bill from 1st April 2017 compared to 2016/2017 bill, as a result of the 2017 revaluation
- The ratepayer must be in occupation and liable for business rates for the relevant property on 31st March 2017 and 1st April 2017
- The rateable value is less than 200,000
- The annual increase in rates bill for 2017/18 is more than £50.00 or 3% more, whichever is greater, when compared to the annual bill for 2016/17
- The property must be occupied, relief will not apply to empty properties
- The business must not occupy more than two properties anywhere in the UK. If a business occupies no more than two properties and both are in Cheltenham relief will be available in respect of both properties

Relief will not be awarded in the following circumstances

- The relevant property is empty or becomes empty
- The relevant property is not in the rating list on 31st March and 1st April 2017
- The ratepayer occupies the property on or after 1st April 2017
- The ratepayer is in receipt of mandatory, discretionary or CASC rate relief
- The rateable value is 200,000 or more, or increases to 200,000 or more
- New, split or merged properties in the rating list after 1st April 2017
- Where the rates payable increases due to the ratepayer ceasing to qualify for any other reliefs
- Where a business occupies more than two properties anywhere in the UK
- Educational establishments, sports centres, health centres/doctors surgeries and any publicly funded organisation will not be eligible

Relief will be recalculated in the following circumstances

- A change in rateable value in either the 2010 or 2017 rating lists
- The provision of a certificated value for the 2010 or 2017 rating list
- Any other reduction in the rates payable before revaluation support relief is applied
- Where there is an increase in rateable value after 1st April 2017 relief will not be awarded in respect of the rates payable attributable to the increase
- Any of the above conditions cease to be met

Amount of Relief

2017/18	85% of the increase in 2017/18 bills compared to 2016/17 where the increase is over 3% or £50, whichever is the greater
2018/19	4.1 % of the net rates payable after other reliefs
2019/20	1.6% of the net rates payable after other reliefs apart from Retail discount
2020/21	0.35% of the net rates payable before this relief is applied

Section 3: Supporting Small Businesses Relief

Relief will be awarded to ratepayers losing some or all of their small business rate relief due to the 2017 revaluation. The relief will be awarded in line with the detailed guidance issued by the Ministry of Housing, Communities and Local Government and the scheme will end on 31 March 2021. State Aid rules as detailed in section 3 and will apply and the relief will be administered as detailed in section 4.

Section 4: Pubs Discount

A maximum discount of £1,000 will be awarded to pubs where the rateable value is less than 100,000 in line with the detailed guidance issued by the Ministry of Housing, Communities and Local Government. This relief is available in 2020/21 only and will end on 31st March 2021. State aid rules as detailed in section 4 will apply and the relief will be administered as detailed in Section 5.

Section 5: State Aid

The award of Retail discounts, Revaluation Support, Pub Discount and Supporting Small Business Relief must all comply with EU law on State Aid. This law continues to apply after 31 January 2020. Businesses applying for, or in receipt of, relief must advise the Council if they have received any other State Aid that exceeds, in total, €200,000 in a 3 year period, under the De Minimis Regulations EC 1407/2013. The total amount of State Aid received includes any other discretionary business rates reliefs being granted in respect of all properties for which the business is responsible. Further information on State Aid law can be found at <https://www.gov.uk/state-aid>.

Section 6: Administration

- Cheltenham Borough Council will administer the schemes under Section 47 of The Local Government Finance Act 1988 as amended by The Localism Act 2011 and The Non-Domestic Rating (Discretionary Relief) Regulations 1989 (S.I. 1989/1059)
- Relief awarded under the above provisions cannot be awarded in respect of any financial year once after 6 months after the end of that financial year have elapsed.
- Entitlement to Retail Discounts, Revaluation Support and Supporting Small Business Relief and Pubs Discount will be dependent on the qualifying conditions being met.
- Relief awarded in respect of each financial year will end on 31 March in the relevant year
- Relief will be recalculated or cancelled to reflect a change in circumstances, change to entries in Rating List, or any of the conditions cease to be met.
- Decisions relating to the granting of reliefs will be delegated to the staff within the Revenues and Benefits Service
- Reliefs may be granted automatically where information held on the business rate account confirms eligibility in line with the qualifying criteria. In these cases businesses will be asked to notify the council if they are in receipt of other State Aid
- Where sufficient information is not held businesses will be required to complete and submit an application form including a declaration in respect of State Aid
- There is no statutory right of appeal against a decision made by the Council in respect of Retail Discounts, Supporting Small Businesses, Pubs Discount, or Revaluation Support Relief. However, the Council will reconsider the decision if the ratepayer is dissatisfied with the outcome.
- The request for a reconsideration must be made no later than 3 months after the end of the financial year for which relief is being requested.
- The review will be carried out by the Executive Director Finance and Assets in consultation with the Cabinet Member Finance
- If an unsuccessful applicant requests a reconsideration they will need to continue to pay their rates bill. Once the reconsideration has been carried out, the ratepayer will be informed, in writing, of the decision.