

The London Borough of Harrow's Local Discretionary Revaluation Support Scheme for the 2017/18 Financial Year & other qualifying Years

Introduction

This document sets out the Council's policy regarding the local discretionary revaluation support scheme for the financial year 1 April 2017 to 31 March 2022.

This is in accordance with the announcement made by Central Government in their Spring 2017 Budget, that a £300 million discretionary fund over four years from 2017-18 was being established to support those businesses that face the steepest increases in their business rate bills as a result of the 2017 revaluation.

This is in addition to the other reliefs announced at the same time which will

- a) Support those ratepayers who as a result of the revaluation will lose some or all of their Small Business Rate Relief where the increase will be limited to £600.00 per year or the cap on increases for small properties in the transitional scheme (5% for small properties in 2017/18) and;
- b) A new relief scheme for pubs that have a rateable value of below £100,000 where if eligible they will receive a discount of up to £1000.00.

Where possible this scheme has been drafted to exclude those ratepayers who will benefit from these additional schemes.

The Local Discretionary Revaluation Support Scheme

- 1) The Local Discretionary Business Rate Revaluation Support Scheme will apply for the years 1 April 2017 to 31 March 2022. Under the scheme support will only be provided where a qualifying ratepayer's bill has increased due to the 2017 revaluation
- 2) The assistance the Council will offer under the scheme will be limited to the funding provided by Central Government which is anticipated to be around £780k for 2017/18 and a total of £1.337m over 4 years with the amount available reducing each year which will require a revision of the scheme percentages each year to ensure that the funding from Central Government is not exceeded.
- 3) The current funding allocation is as follows:

Year	Provisional Funding
2017/18	780K
2018/19	379K
2019/20	156K
2020/21	22K
2021/22	0K

The projections below are based on the year 2017/18 only.

Where a qualifying ratepayer's 2017/18 rates bill is reduced for any of the following reasons, the amount of their relief will be reduced or removed accordingly:

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

Ratepayers who may benefit from the Scheme will be in occupation of a property with a rateable value of between £15,001 and £100,000 and will fall into one of the general categories listed below:

- Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets)
- Opticians
- Post offices
- Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
- Car/ caravan show rooms
- Second hand car lots
- Markets
- Petrol stations / car washes
- Garden centres
- Art galleries (where art is for sale/hire)
- Shoe repairs/ key cutting
- Children's Day nurseries
- Adult Care
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/ TV/ domestic appliance repair
- Funeral directors
- Photo processing
- DVD/games rentals
- Tool hire
- Hair and beauty services
- Restaurants
- Takeaways

- Sandwich shops
- Coffee shops
- Pubs and Bars
- Offices
- Warehouses, workshops and other industrial units

4) Please note that the following types of uses are not eligible for local discretionary revaluation support:

3.1) Properties that are being used for the provision of the following services to visiting members of the public:

3.1.1) Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, betting shops, amusement arcades, pawn brokers)

3.1.2) Other services (e.g. Doctors and GP Surgeries)

3.1.3) Post office sorting office

3.1.4) Charity shops, educational or religious establishments

5) Further Exclusions - For properties where any of the following apply, the ratepayer will not be eligible for local revaluation support:

4.1) Properties where the liability for rates falls to London Borough Of Harrow, Transport for London, Mayor's Office, NHS, Police or Fire services

4.2) Ratepayers in receipt of re-occupation relief in 2017/18.

4.3) Properties with a rateable value under £15,000

4.4) Properties with a rateable value of £100,000 or over

4.3) Ratepayers in receipt of small business rate relief support which limits increases on small properties caused by the loss of small business rates relief to £600.

4.4) Ratepayers occupying properties after 1 April 2017

4.5) New properties which were not on the rating list at 1 April 2017. (Relief will not apply where properties are entered into the list retrospectively unless they are a split, merger or reconstitution of a property which was in the compiled list as at 1st April 2017).

4.6) Properties which are partly unoccupied or unoccupied.

- 4.7) Properties in receipt of Mandatory Charity Relief, Community Amateur Sports Club relief, Non profit Making Organisation Discretionary Relief and empty exemptions
- 4.8) Advertising Rights, Car parks and car park spaces, Communication stations and masts, Public Conveniences, Show flats, land used for storage, and properties in the process of being redeveloped for domestic use.
- 4.9) National and International Organisations where the authority believes that to award the relief would be in breach of State Aid, or where the award of relief would not comply with EU law on State Aid.

The award letter 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) being granted for premises other than the one to which the declaration and letter relates, under the Deminimus Regulations EC 1407/2013.

Under the European Commission rules, the applicant must retain the guidance included within the award letter for three years and produce it on any request by the UK public authorities or the European Commission.

The award letter will include further information on State Aid and their obligations

6) How the Local Discretionary Revaluation Support is Calculated:

- 5.1) Local discretionary revaluation support is calculated after any or all of the following have been applied:

- Exemptions and other Mandatory Reliefs
- Transitional Relief or Surcharge
- Small Business Rate Relief
- Supporting Small Business Rate Relief Scheme

Any Pub Relief will be awarded after the local discretionary revaluation support has been applied, (subject to regulations).

- 5.2) In accordance with the terms of the Government grant for local discretionary revaluation support, all ratepayers are subject to a two percent inflationary increase on their bill to which the relief will not apply. However Harrow Council's discretionary local scheme ensures that all ratepayers will pay a minimum of 5% increase if applicable.

- 5.3) The maximum percentages of local discretionary revaluation support available on the net rates bill after the exclusions and the reliefs and exemptions described above are shown in tables below

The transitional scheme for 2017 defines properties as

Small – Rateable value up to £28,000

Medium – Rateable value between £28,001 to £100,000

Large – Rateable value in excess of £100,000

In accordance with the Government's transitional scheme, the maximum increase in rates bills for small properties is 7.5 per cent plus 2 per cent inflation.

In accordance with the Government's transitional scheme, the maximum increase in rates bills for medium properties is 12.5 per cent plus 2 per cent inflation. However, some rates bills will increase by more than this if they are subject to the small business rates supplement of 1.3 per cent for the first time.

For the purposes of this policy, the following bands have been set and will apply;

£15,001 - £20,000

£20,001 - £30,000

£30,001 - £40,000

£40,001- £51,000

£51,001 - £99,999

The percentage relief awarded is varied depending on the band in which the increase in rateable value the property falls into.

Band 1 - Rateable Value between £15,000 to £20,000

Percentage Increase in Rateable Value	Maximum Relief Percentage
5-10%	2%
10-20%	3%
20-30%	4%
30-40%	5%
40-50%	7.5%
50-75%	10%
Over 75%	15%

Band 2 - Rateable Value between £20,001 to £30,000

Percentage Increase in Rateable Value	Maximum Relief Percentage
5-10%	2%
10-20%	3%
20-30%	4%
30-40%	5%
40-50%	7.5%
50-75%	10%
Over 75%	12%

Band 3 - Rateable Value between £30,001 to £40,000

Percentage Increase in Rateable Value	Maximum Relief Percentage
5-10%	1%
10-20%	2%
20-30%	3%
30-40%	4%
40-50%	5%
50-75%	7.5%
Over 75%	10%

Band 4 - Rateable Value between £40,001 to £51,000

Percentage Increase in Rateable Value	Maximum Relief Percentage
5-10%	1%
10-20%	2%
20-30%	3%
30-40%	4%
40-50%	5%
50-75%	7.5%
Over 75%	10%

Band 5 - Rateable Value between £51,001 to £99,999

Percentage Increase in Rates Bill	Maximum Relief Percentage
5-10%	1%
10-20%	2%
20-30%	3%
30-40%	4%
40-50%	5%
50-75%	6%
Over 75%	8%

Harrow Council is committed to supporting its long term objectives and may, in exceptional circumstances, award additional relief to commercial property being used for the provision of “private day nursery” or “private adult social care” services. This may equate to the difference between zero and 5% of the actual increase in rates payable, either negating the charge altogether or simply reducing it to the 2% cap Central Government have prescribed to ensure at least inflationary increase is payable.

Additionally, qualifying businesses may be disqualified from receiving local discretionary business re-valuation relief if the business does not comply with trade waste disposal, environmental health or other appropriate statutory, legal or local authority requirements.

Harrow Council also supports the London Living Wage, and whilst the eligible percentage of discretionary revaluation support will be applied automatically to those eligible properties/traders business rates accounts, the Council will in addition provide 1% extra support where the trader can evidence that they pay the London Living Wage as a minimum salary to directly employed staff. This will need to be evidenced by confirmation of accreditation with the Living Wage Foundation.

6. CAP FOR RELIEF

A cap will operate for discretionary relief. The cap is linked to the relevant budget and funding allocation for this specific type of Discretionary Rate Relief in any one year and total awards will not exceed this allocation.

7 RIGHT OF APPEAL

There is no statutory right of appeal against a decision regarding discretionary rate relief made by the Council. However, the Council recognises that ratepayers should be entitled to have a decision reviewed objectively if they are dissatisfied with the outcome.

The Council agrees to abide by the following appeals process and aggrieved ratepayers should make an appeal in accordance with the process.

Ratepayers will be notified of the appeals process in writing at the time that they are notified of the outcome of their request for rates relief.

This appeals process does not affect a ratepayer's legal rights.

8. APPEALS PROCESS

Appeals may only be made by the original applicant and within 28 days of receiving notification of eligibility. An appellant may appoint an agent to act on their behalf and in such cases the Council will require written authorisation from the appellant before dealing with their agent.

Appeals against decisions made by the Service Manager, either in respect of an initial application or of an appeal, will be discussed with the relevant Divisional Director. A decision made by the Divisional Director in consultation with the Portfolio Holder will be final.

Applicants must make an appeal within four weeks of the issue of the letter notifying them of the Council's decision. Appeals must be made in writing and must give the reasons why it is believed the decision should be amended. New or additional information may be included, but only if it is relevant to the decision making process.

Each application will be considered individually on its merit.

9. PERIOD OF RATE RELIEF

Rate relief awarded under this policy will be awarded for one financial year commencing from 1st April 2017 to 1st April 2021/22.

Ratepayers will be notified that any relief awarded is for a specific period only, awards being granted automatically by the local authority where applicable.

In order to comply with Regulation 2.2 & 2.3 of the Non Domestic Rating [Discretionary Relief] Regulations 1989 as amended by SI. 616 OF 1993 Schedule 2, which states that in the case of an authority **making a variation of a determination or revoking a decision that it must give at least 1 year's notice**, the authority will each year issue a formal notice notifying the claimant that the award is for one year only or other period as specified. This is by way of a note on the reverse of the demand.

10. CANCELLATION OF RELIEF

Relief will be cancelled if:

1. The applicant ceases to be the ratepayer
2. The property becomes empty or becomes occupied
3. The use of the property changes
4. The authority reviews the policy or the DRR budget is spent or cut
5. There is an increase in the amount of rates payable

Where relief is cancelled for reasons 3, a new application may be made straight away.

Where relief is cancelled for the reason (4), an applicant may make an application as soon as they may meet any new criteria adopted or in the following new financial year.

Where relief is cancelled for reason (5) above the decision will immediately be reconsidered and a new decision made, based on the new amount of rates payable.

11. NOTIFICATION OF AWARDS

The Council will consider applications within four weeks of the application and all supporting information being received, or as soon as practicable thereafter.

Notification of the outcome of the decision will be made in writing within fourteen days of the decision being considered.

12. ACTION TO RECOVER UNPAID RATES WHILST A DECISION IS PENDING

Receipt of an application for relief will not negate in any way the ratepayer's right to pay the business rates as demanded.

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