

**Appendix 1**

**WARRINGTON BOROUGH COUNCIL**

**BUSINESS RATES REVALUATION - DISCRETIONARY RELIEF SCHEME 2017 – 2021**

**1. PURPOSE**

1.1 To seek approval for the adoption of policy and process relating to applications for Discretionary rate relief on Non-Domestic Rates (also known as Business Rates) arising from both the 2017 revaluation and Spring Budget to businesses within Warrington.

**2. INTRODUCTION**

2.1 In the 2017 Spring Budget the Government confirmed the creation of a four year £300 million discretionary business rate relief fund. The fund will last for four years from 2017-18 and is to support local businesses facing the largest increases in their business rates following the 2017 revaluation.

2.2 Warrington’s grant allocation of the £300m is as follows:

Year	Allocation (£000)
2017-18	£364
2018-19	£177
2019-20	£73
2020-21	£10

2.3 The Council has confirmed its willingness to use this fund to award relief to businesses meeting the criteria outlined below and also seeking written applications from other local businesses facing difficulties as a result of the revaluation.

2.4 Both the decision and awarding of any relief will be in accordance with the Department for Communities and Local Government (DCLG) consultation document on the design and implementation of the locally administered Business Rates Relief Scheme.

2.5 Any relief granted will be made as a transfer to the business rates account. If the account moves into credit as a result of the relief this can be refunded to the ratepayer.

**3. CRITERIA FOR RELIEF**

3.1 In view of the discretionary nature of this type of relief, it is not possible for the Council to lay down rigid rules as to which businesses are entitled to relief and the level of the award. DCLG has not provided definitive criteria for awarding relief - it is for Warrington to determine its own policy taking into account the needs of the individual business.

3.2 The Council will make automatic awards from businesses meeting the conditions below. Written applications will also be accepted. The conditions for eligibility are as follows:

- The rateable property has a rateable value (RV) for 2017/18 that is less than £150k and
- There has been an increase in the rateable property's 2017/18 bill that is primarily the result of the 2017 revaluation exercise (when compared to its 2016/17 bill (before other reliefs)).

3.3 In addition to the above at 3.2 the business must also meet the following conditions to be eligible:

- Must have been in occupation before 1 April 2017
- Must have employees based in the hereditament on which relief is sought;

3.4 The following criteria will also be taken into account when considering applications:

- Whether the business provides any benefits to Warrington, the local community and/or the council tax payer, such as increasing local employment or improving amenities.
- Consideration of whether there are other businesses in the area which provide the same or similar services or facilities and whether the award could have an anti-competitive effect on other businesses in Warrington.
- The individual merits of each application - whether the business supports the Council's wider objectives.
- The level of funding available – noting the diminishing levels available in future years (table 2.2 above).

3.5 As funding is limited the Council has determined the following types of business will not be eligible for relief:

- Businesses who will benefit from the small business rate relief cap of paying no more than £600 per year (compared to 2016-17);
- Businesses whose increase in the amount they are paying compared to last year is less than £600 per year (to mirror the maximum protection for small businesses above);
- Businesses operating an intermittent occupation tax mitigation or avoidance scheme and
- Hereditaments wholly or mainly being used as betting shops, fast food outlets, payday loan shops or pawnbrokers.

#### **4. APPLYING FOR THE RELIEF**

4.1 Where possible awards will be automatically credited. In these cases no application is required. Where eligibility cannot automatically be determined then applications for relief should be made on line using the Council's application form. All applications will be determined within 30 days.

The application must provide appropriate information to demonstrate the eligibility for relief. This will include:

- Factors that will help the Council assess the application. For example the scale of the increase, and evidence of difficulties in making payments.
- Evidence of how the business meets the criteria and other factors that the Council should take into consideration.

## **5. PERIOD OF RELIEF**

- 5.1 The relief is only intended as a short term measure and assistance will reduce after year 1 – in line with DCLG funding. The relief will normally be granted as a percentage of the business rates payable for the year.
- 5.2 The granting of relief will be reviewed each year and awards reduced to reflect the funding available. This may mean some businesses only receive assistance in years one and two.
- 5.3 Any decisions made by the Council and the amount of any relief are conditional and will be amended within the year to reflect changing circumstances, for example RV changes. It is therefore a condition of the award that relief will be recalculated in the event of a change to the rating list for the property.
- 5.4 If a business in receipt of the relief ceases to meet the eligibility criteria outlined in this policy, it will cease to receive the relief. This would include the following:
- The financial circumstances of the business change.
  - The business enters any formal insolvency
  - There is a change in the liable person
  - The property is used for a different purpose.

## **6. GRANTING RELIEF**

- 6.1 Applications will be considered by a panel made of Senior Officers within the Benefits & Exchequer Service.
- 6.2 Where the application is refused and requests for review or appeals will be considered by the Exchequer Services Manager and the Head of Benefits, Contact Warrington & Exchequer Service.