

1. Local Discretionary Rate Relief

1.1 Overview

In the 2017 Spring Budget, the Government announced a £300m fund which would be distributed to Local Authorities over a number of years to fund local discretionary schemes with the aim of delivering relief to ratepayers who have experienced large increases in bills following the 2017 Revaluation.

In the guidance issued by the government, it stated that there is an expectation that the relief should target:

- Ratepayers or areas facing the most significant increase in bills, and;
- Ratepayers occupying lower value properties.

The relief will be awarded by use of the Council's Discretionary Relief powers under section 47 of the Local Finance Act 1988. All awards made by Local Authorities will be funded by the government through the section 31 grant.

Each Local Authority has been allocated funds based on a prescribed formula, Blackburn with Darwen BC's award over the four financial years is detailed below:

2017/18	2018/19	2019/20	2020/21
£176,000	£86,000	£35,000	£5,000

1.2 Principles of the scheme

The principles used in the design of the local discretionary relief include the following:

- Relief to be targeted at businesses that are facing an increase in their business rate bills following the revaluation, encompassing different sizes, sectors and locations across the borough;
- The relief to be distributed in a way that is proportionate to how much a bill has increase, and in a fair manner;
- The extra relief is distributed to local businesses quickly and smoothly; and,
- Be simple for the Council to administer.

1.3 Calculation of the relief

In respect of the financial year 2017/18 those businesses that qualify for the extra discretionary relief will receive a reduction in their business rate bill equivalent to the increase. For example, a qualifying company facing a 10% increase on their previous bill equating to £10,000 would receive a £10,000 relief on their bill.

The amount of relief to be awarded in future financial years will be determined by the Executive Member for Resources on a year by year basis based on the funding available and the increases facing businesses.

1.4 Non-qualifying properties

Blackburn with Darwen Borough Council will not award local discretionary relief to

organisations providing the following services to members of the public:

- Financial services (banks, cashpoints, bureau de change, pay day lenders);
- Professional services (solicitors, accountants, insurance agents, financial advisors);
- Premises mainly used for religious worship;
- Overseas Aid organisations;
- Administration Offices for National Charities; and,
- Doctors surgeries, Dentists.

In addition, the following establishments/organisations will not be eligible for relief:

- Amusement arcades – establishments operating a business that is predominately gambling/slot machines, etc.
- Takeaways – establishments that predominately function as a takeaway;
- Off licences – establishments that predominately sell alcohol, and;
- Shisha cafes.

1.5 Further exclusions

For properties where any of the following apply, the ratepayer will not be eligible for local discretionary rate relief:

- Ratepayers in receipt of reoccupation relief for the financial year 2017/18;
- Ratepayers in receipt of the regeneration relief for the financial year 2017/18;
- Ratepayers who occupied the property after the 31st March 2017;
- Properties that are unoccupied;
- Properties that have no employees based in the hereditament on which relief is being sought;
- Where the relief would not comply with EU law on state aid rules;
- Ratepayers operating an intermittent occupation will not be eligible for any relief, and;
- National companies, national charities, national chains and public bodies will not be eligible for any relief;

1.6 Calculation of the relief

Local Discretionary relief will be calculated after all exemptions and reliefs have been applied to the account.

1.7 Period of Relief

Each amount of rate relief awarded shall apply for no more than one financial year. Adjustments to the amount of relief will reduce over the three financial years and be calculated based on the total amount of funding. However, a new application will **not** be needed each financial year.

1.8 Appeals

Any appeal against a decision made under the '*Local Discretionary Rate Relief*' policy must be made in writing and reach the Council within 28 days of an organisation receiving notification of an award decision.

- The Council will acknowledge the appeal within 5 working days of receipt.
- The Director of Finance and IT will consider the appeal.
- The applicant will be informed of the final decision as soon as practicable thereafter.

1.9 Special Circumstances

The Council will reserve the right to award or decline applications for business rate relief when faced with exceptional cases.

1.10 General

The Council will consider each case in accordance with the criteria set out above. The criteria is not restrictive and does not restrict the Councils ability to depart from its general policy as to the granting of relief if it sees fit to do so bearing in mind the facts of each case.

2. Supporting Small Business Relief

2.1 Overview

At the 2017 Spring Budget, the Government announced its intention to introduce a new relief for properties losing some or all of their Small Business Rate Relief or Rural Relief as a result the 2017 Revaluation.

To support ratepayers, the Supporting Small Business relief will ensure that the increase per year in the bills of those ratepayers will be limited to the greater of:

- I. A percentage increase per annum of 5%, 7.5%, 10%, 15% and 15% (plus inflation) for the period 2017/18 to 2021/22, as compared to the bill for 31st March 2017, **or**;
- II. A cash value of £600 per year (£50 per month).

This means that all ratepayers losing some or all of their small business rate relief or rural relief will see the increase in their bill capped at £600 with a minimum increase of £600 per year thereafter.

2.2 Eligible criteria

A change of ratepayer will not affect eligibility for the relief, however, eligibility will be lost if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club

2.3 Period of relief

Ratepayers will remain in the Supporting Small Business Relief for either 5 years or until they reach the bill they would have paid without the scheme.

3. Business Rate Discount Scheme for Pubs

3.1 Overview

At the 2017 Spring Budget, the Government announced a £1000 business rate discount for public houses with a rateable value of up to £100,000 for one year from

1st April 2017.

The relief will be awarded by use of the Council's Discretionary Relief powers under section 47 of the Local Finance Act 1988. All awards made by Local Authorities will be funded by the government through the section 31 grant.

3.2 Eligibility criteria

To be considered for relief the rateable value of the property must be £100,000 or less.

There is no definitive description of a traditional pub or public house in law, and as such the council has adopted the approach that makes the design and eligibility of the scheme easy to implement, in a clear and consistent way that is consistent with the Government's policy.

To qualify, a pub should:

- Be open to the general public;
- Allow free entry other than when occasional entertainment is provided;
- Allow drinking without requiring food to be consumed, and;
- Permit drinks to be purchased at a bar

3.3 Exclusions

This relief will also exclude the following types of properties:

- Restaurants
- Cafes
- Nightclubs
- Hotels
- Snack bars
- Guesthouses
- Boarding Houses
- Sporting venues
- Music venues
- Festival sites
- Theatres
- Museums
- Exhibition halls
- Cinemas
- Concert halls
- Casinos

Where eligibility is unclear the Council will consider all relevant factors in making its decision.

3.4 Amount of relief

Eligible properties will be entitled to £1000 relief for the full financial year. The relief will be calculated on a daily basis with reductions applied to properties that have a

reduction in rateable value or cease to operate as a pub.

3.5 Period of relief

The relief will be applied for the 2017/18 financial year only. Future years' relief will be reviewed after considering the amount of funding available and the increases faced by businesses.

3.6 Appeals

Any appeal against a decision made under the '*Local Discretionary Rate Relief*' policy must be made in writing and reach the Council within 28 days of an organisation receiving notification of an award decision.

- The Council will acknowledge the appeal within 5 working days of receipt.
- The Director of Finance and IT will consider the appeal.
- The applicant will be informed of the final decision as soon as practicable thereafter.