

1. Local Discretionary Rate Relief

1.1 Overview

At 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 has stated that there is an expectation that the relief should target:

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

The relief will be awarded by use of the councils 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, over the four financial years. The funding for the remaining year is detailed below:

2020/21
£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 2020/21 those businesses that qualify for the extra discretionary relief will receive the equivalent of 10% of the increase. The minimum value of relief will be £50.

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:

APPENDIX A

- Financial services (banks, cashpoints, bureau de change, pay day lenders);
- Professional services (solicitors, accountants, insurance agents, financial advisors);
- Premises mainly used for religious worship;
- Premises mainly used for education;
- 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 the regeneration relief since 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;
- 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 will consider the appeal.

APPENDIX A

- 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.