

Woking Borough Council

Discretionary Relief Scheme

2017 - 2021



About the scheme

This scheme is intended to support local businesses following the 2017 revaluation and is to be known as the 'Woking Borough Council Discretionary Relief Scheme'.

This document sets out the criteria used to determine properties eligible for the discretionary relief Scheme' in Woking. The scheme does not replace any other relief.

The Council may review and amend the scheme (both in eligibility and amount of awards) at any time, especially with a view to the amount awarded and the eligibility criteria each year.

Introduction

At the Spring Budget 2017, the Chancellor announced that the Government would establish a £300 million discretionary business rate relief fund so that local authorities could devise local schemes to assist businesses that are facing rising bills as a result of a national revaluation of all business properties.

The Government published a consultation covering proposed methodology for distributing the available funding between local authorities and subsequently stated that the allocations would be as set out in the consultation.

The funding for the scheme is spread over four years. In Woking the total funding available under our allocation has been confirmed as:

2017/18 – £288,000	2019/20 - £58,000
2018/19 - £140,000	2020/21 - £8,000

It is for each local authority to design their discretionary relief scheme and determine eligibility.

The only requirement is that the scheme is within the intention of assisting business that are facing rising bills as a result of revaluation and that each authority consults with their major preceptors – for Woking this is Surrey County Council as this relates to Business rates only.

The Council does need to ensure that when it determines a scheme, operationally it can be managed within our existing systems and the resources available.

No new legislation is required to deliver the scheme. Instead, we will use our discretionary relief powers, under section 47 of the Local Government Finance Act 1988 to grant relief. Central Government will reimburse Woking using grants under section 31 of the Local Government Act 2003, up to the level of our allocation each year.

Eligibility Criteria

This section describes in principle the discretionary relief scheme in Woking. Woking Borough Council will use this section to determine eligibility for the relief.

Woking Borough Council will compare a property's 2016/17 full annual charge on 31 March 2017 compared with the property's 2017/18 full annual charge based on the rateable value following revaluation in force on 1 April 2017.

In determining the amount of funding to each Council, the Government used formula that only considered cases where the property's 2017/18 bill (before all reliefs) had increased by more than 12.5% and excluded properties with rateable values of £200,000 and over.

Woking Borough Council's scheme applies both these elements and hence will only consider awards where the 2017/18 bill has increased (as above) by more than 12.5% and the 1 April 2017 rateable value is less than £200,000.

In considering relief to remaining ratepayers, Woking will also exclude relief to:

- **Empty Properties.** The Council wants to encourage properties being brought back into use.
- **New rate payers becoming liable on or after 1 April 2017.** New ratepayers would not have seen an increase in their rate bills at the property.
- **Ratepayers with properties with a rateable value below £20,000 on 1st April 2017.** As part of the re-valuation the national business rates scheme provides a number of reliefs for small businesses including: Capping increase to maximum of 5% for those small properties with a rateable value of below £20,000 plus all small business with rateable value below £15,000 receive tapered relief up to 100% of the charge.
- **Precepting Authorities & Government Depts.** Section 47 relief cannot be awarded to a precepting authority (e.g. Woking Borough Council, Surrey County Council/Surrey Police).

How Much Relief Will Be Available?

A letter including an application form will be issued to all potentially eligible rate payers with a rateable value of between £20,000 - £200,000. Applicants will be required to declare they have met the above criteria and don't breach the European Union state aid rules if relief is granted.

The deadline for returning the application will be 31st October 2017, this will allow a calculation of the amount of relief to be granted based on the number of applications received.

It is estimated that there will be a maximum of 45 applications for properties with a rateable value between £100,000 - £200,000 and 72 applications for properties with a rateable value between £20,000 - £100,000.

As an illustration, based on the Government funding and the estimates, Woking Borough Council could grant the following:

Rateable Value	Disc Relief Amt 17/18	Disc Relief Amt 18/19	Disc Relief Amt 19/20	Disc Relief Amt 20/21
RV 100,000 - 199,999	£3,000	£1,500	£750	£100
RV 20,000 - 99,999	£2,000	£1,000	£375	£50

It is very unlikely that the maximum estimates will apply as some properties will have been empty and won't meet the criteria. During 2017/18 some qualifying properties will cease to qualify due to changes i.e. moves. Therefore 110% of the government funding will be awarded to support eligible local businesses to the greatest extent possible.

Compensation Arrangements

Woking will be granted the full funding allowance paid quarterly, and have to pay back any underspend at the 31st March each year.

State Aid

State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid.

However, our discretionary relief scheme will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013).

The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a rolling three-year period (consisting of the current financial year and the two previous financial years). The application form requires ratepayers to declare they do not exceed the limit.

Delegated Authority to Award Relief

The award of Discretionary Relief is delegated to Revenues, Benefits & Customer Service Manager and, in his absence, his deputy (Revenues Manager).

There is no statutory appeal rights against a decision regarding discretionary rate relief unless the decision is so unreasonable that no reasonable person could have reached it ('Wednesbury Rules'). However, the Council recognises that ratepayers should be entitled to have a discretionary decision reviewed if dissatisfied with the outcome. Only the ratepayer or authorised agent may appeal against the decision not to award relief or the level of relief awarded. Appeals must be made within four weeks of the notification of decision. Appeals must be in writing specifying reasons why a decision should be amended and supported by relevant new or additional evidence.

An appeal will be deemed to be discontinued if further evidence requested from the ratepayer has not been received within four weeks of the request. Appeals against decisions made under delegated authority will be determined by the Finance Director, in consultation with the Portfolio Holder, to ensure the decision is consistent with the scheme.