

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 13

meeting date: 28 OCTOBER 2014
title: BUSINESS RATE MEASURES ANNOUNCED IN AUTUMN STATEMENT 2013
submitted by: DIRECTOR OF RESOURCES
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1 PURPOSE

1.1 To inform Committee of the impact and take up of the Business Rates measures announced in Autumn Statement 2013.

1.2 Relevance to the Council's ambitions and priorities:

- Council Ambitions/Community Objectives/Corporate Priorities

Without the revenue collected from rates, council tax and sundry debtors we would be unable to meet the Council's ambitions, objectives and priorities.

2 BACKGROUND

2.1 The Chancellor announced a package of Business Rates measures in Autumn Statement 2013 which included:

- the Retail Price Index (RPI) increase in 2014-15 would be capped at 2% instead of 3.2%
- the doubling of Small Business Rate Relief (SBRR) would be extended for a further twelve months until 21 March 2015.
- ratepayers receiving SBRR that take on an additional property which would disqualify them from receiving SBRR will continue to receive their existing relief for twelve months.
- a discount of £1,000 for shops, pubs and restaurants with a rateable value below £50,000 for two years, up to state aid limits, from 1 April 2014.
- A 50% discount for eighteen months, between 1 April 2014 and 31 March 2016, for businesses that move into retail premises that have been empty for more than a year.
- ratepayers are allowed to opt to pay their bill over twelve instalments instead of ten and
- 95% of the September 2014 backlog in business rates appeals will be cleared before July 2015.

3 IMPACT AND TAKE UP IN RIBBLE VALLEY

3.1 RPI Cap

The RPI cap has benefitted all ratepayers this year and in effect has meant that 2,313 ratepayers have had the increase in their bill capped at 2% rather than 3.2%.

3.2 SBRR

1,152 ratepayers in the Ribble Valley benefit from the extension of the doubling of SBRR worth a total of £945,769.50 in 2014/15.

3.3 4 ratepayers are still receiving SBRR on their original property that they would previously have lost had the new measure allowing ratepayers who take on a second property to keep their SBRR on the original property not been introduced; worth £4,329.72 to those businesses.

3.4 Retail Relief

304 ratepayers have benefitted from the up to £1,000.00 retail discount worth £266,067.08 in 2014/15.

NB We have proactively contacted those businesses that we believe may qualify for this relief and will continue to do so until we have achieved full take up.

3.5 Reoccupation Relief

No ratepayers have met have met the criteria required for the 50% discount (for eighteen months) on retail properties that became occupied when they have been unoccupied for more than twelve months.

3.6 Payment of Rates by twelve instalments

68 ratepayers have opted to pay their rates by twelve instalments instead of ten.

3.7 Reduction in Business Rate Appeal backlog

The Valuation Office Agency has informed us that they are on target to meet the commitment that 95% of the backlog in business rates appeals at September 2013 will be resolved by July 2015.

4 CONCLUSION

4.1 These measures have impacted on every ratepayer in Ribble Valley during 2014/15.

4.2 The total value of these measures to ratepayers in Ribble Valley in 2014/15 has exceeded £1.5 million.

4.3 The impact of these measures on the Council is cost neutral as they are funded in full by Central Government.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF60-14/ME/AC
16 October 2014

For further information please ask for Mark Edmondson.