

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

INFORMATION

Agenda Item No 16

meeting date: 7 NOVEMBER 2017
title: BUDGET 2017: BUSINESS RATE RELIEF SCHEMES UPDATE
submitted by: DIRECTOR OF RESOURCES
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1 PURPOSE

1.1 To update members of the progress made regarding the Business Rate relief schemes announced by the Chancellor in his budget on Wednesday 16 March 2017.

2 BACKGROUND

2.1 Business Rates are periodically revalued to take into account changes to business activity across the country. The latest revaluation came into effect on 1 April 2017.

2.2 The purpose of the revaluation is to ensure that business contribute their fair share of tax in different parts of the country and sectors of business activity.

2.3 In the run up to the March budget a number of groups made representations to the Government about the impact that the revaluation would have, in particular on those seeing the greatest increases in their rates payable.

3 MARCH 2017 BUDGET ANNOUNCEMENT

3.1 In his budget the Chancellor announced that he had listened to the representations made by the various bodies and had decided to provide additional relief to those businesses who had been most impacted by the revaluation.

3.2 Additional Relief would be made available in three instances:

- Small Businesses

As a result of the revaluation some small businesses, who currently receive Small Business Rate Relief (SBRR) or Rural Rate Relief (RRR) would experience significant increases in the amount of rates payable if as a result of the revaluation they no longer qualified for SBRR or RRR. Therefore the Chancellor announced that Local Authorities would be able to grant discretionary rates relief in such cases to ensure that those businesses losing SBRR or RRR would experience an increase in rates payable of no more than £600 per year or the matching cap on increases for small properties in the transitional relief scheme, whichever is greater. Detailed guidance was only issued in late May 2017 and we required a software update to implement the scheme which was not made available until late August 2017.

- Pubs

Pubs with a rateable value of below £100,000 will receive a £1,000 discount on their bill.

- Discretionary Relief Scheme

The Chancellor announced that he would make £300 million available to local authorities to support those businesses that face the steepest increases as a result of the revaluation. It will cover four years from 2017/18 as follows:

£175m in 2017/18

£85m in 2018/19
£35m in 2019/20
£5m in 2020/21

A consultation paper was published on 9 March 2017 about how this scheme will be implemented along with the proposed distribution of the £300 million. NB Ribble Valley Borough Council's allocation is £179,000 i.e. £104,000 in 2017/18, £51,000 in 2018/19, £21,000 in 2019/20 and £3,000 in 2020/12.

4 IMPLEMENTATION OF THE SCHEME

- 4.1 You recommended at your meeting on 28 March 2017 to delegate to the Director of Resources to devise and implement the new relief schemes to prevent any delay in their introduction.
- 4.2 However the announcement of the General Election on 8 June 2017 resulted in a delay in any detailed guidance from Government that was originally expected in order to progress development of these new reliefs.
- 4.3 Final clarification regarding the discretionary scheme was not forthcoming until the end of July and we subsequently designed a scheme that benefits the most ratepayers and maximises the amount of relief granted.

5 LATEST POSITION

- 5.1 We identified that 13 businesses would benefit from the **Supporting Small Business Scheme** and have granted relief totalling £14,485.63 automatically to those businesses.
- 5.2 We estimated that 53 businesses would benefit from the **Pub Relief Scheme** and have written to each ratepayer inviting them to apply for the relief. We have currently granted relief totalling £30,246.58 to 32 businesses that have applied and will continue to chase up applications from the remaining businesses.
- 5.3 We estimated that 64 businesses would benefit from our **local discretionary relief scheme** and again wrote to each ratepayer inviting them to apply for the relief. We have currently granted relief totalling £59,248.08 to 32 businesses that have applied and will continue to chase up applications from the remaining businesses.
- 5.4 We are pleased to inform members that we successfully implemented all three relief schemes before the Government deadline of 4 October 2017.

6 FINANCIAL IMPLICATIONS

- 6.1 The additional relief schemes for small businesses and pubs will not have a financial impact on this Council as the Government will compensate local authorities by a Section 31 grant for the additional relief granted.
- 6.2 We will continue to monitor the amount of relief granted in relation to our local discretionary scheme to ensure that we maximise the amount of relief given to local businesses without exceeding the grant allocated by central government.

7 CONCLUSION

- 7.1 Members note the report.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF58-17/ME/AC