



NORWICH
City Council

**Norwich City Council
Business Rates
Transitional Relief For
Small and Medium
Properties
Policy**

Version 1.0 11 March 2015

Norwich City Council Transitional Relief for Small and Medium Properties Policy

Introduction

The business rates transitional relief scheme was introduced in 2010 to help those ratepayers who were faced with higher bills. The scheme ends on 31 March 2015 and as a result a small number of ratepayers will face a jump to their full rates bill from 1 April 2015. This relief will allow for the extension of transitional relief, for ratepayers who meet the policy criteria, to 31 March 2017.

The Government announced in the Autumn Statement on 3 December 2014 that it will extend to March 2017 the current transitional relief scheme for properties with a rateable value up to and including £50,000.

As this relief will only apply to the years 2015/16 and 2016/17 the Government is not changing the legislation however Norwich City Council's power to award will fall under the use of their discretionary relief powers, introduced by the Localism Act 2011 (under section 47 of the Local Government Finance Act 1988, as amended).

Norwich City Council shall adopt the scheme as set out in this document.

The policy

1. Which properties will benefit from the relief?

1.1 Properties which will benefit from the relief will be

- Business premises
- Those with a rateable value up to and including £50,000; and
- Who would have received the transitional relief in 2015/16 and 2016/17 had the existing scheme continued in its current format
- those moving to higher bills
- where there is a remaining rateable charge following awards of other applicable reliefs.

2. Hierarchy of reliefs

2.1. There shall be a hierarchy of award of reliefs. Under the existing transitional relief scheme which ends on 31 March 2015, transitional relief is applied before all other reliefs. However as the extension of transitional relief into 2015/16 and 2016/17 will be delivered via S47 of the Local Government Finance Act 1988 (as amended by the Localism Act) this shall be applied after other reliefs e.g. small business rates relief and after other Localism Act Delivered reliefs e.g. retail relief.

3. How much relief will be available?

3.1 The government will fund Localism Act discounts to ensure eligible properties receive the same level of protection they would have received had the transitional relief scheme extended into 2015/16 and 2016/17.

3.2 The transitional relief scheme shall be assumed to remain as it is in the current statutory scheme except that:

- a) the cap on increases for small properties (with a rateable value of less than £18,000) in both 2015/16 & 2016/17 should be assumed to be 15% (before the increase for the change in the multiplier), and
- b) the cap on increases for other properties (up to and including £50,000 rateable value) in both 2015/16 and 2016/17 should be assumed to be 25% (before the increase for the change in the multiplier).

3.3 The scheme applies only to properties up to and including £50,000 rateable value based on the value shown for 1/4/10 or the substituted day in the cases of splits and mergers.

3.4 Changes in rateable value which take effect from a later date will be calculated using the normal rules in the transitional relief scheme. Properties whose rateable value is £50,000 or less on 1 April 2010 (or the day of merger) but increase above £50,000 from a later date will still be eligible for the relief. Where necessary the Valuation Office Agency will continue to issue certificates for the value at 31 March 2010 or 1 April 2010.

3.5 The relief shall be calculated on a daily basis.

3.6 The amount of relief shall be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value on a property.

4. Applications

4.1 The Council shall identify the properties that are applicable for this relief.

4.2 The Council shall publicise this policy on the Council's website.

4.3 Ratepayers shall not be required to make a claim for the relief, however when an award is made a state aid 'de minimis' declaration shall be made by the ratepayer.

5. State Aid

5.1 European Union competition rules prohibit government subsidies to businesses. This means that where an organisation (regardless of type) is engaged in commercial activities which put them in direct competition with other organisations, they cannot be given the advantage of favourable treatment by being selected for financial aid by a local authority. Discretionary rate relief is included in this definition, as are grants and loans.

5.2 There are a limited number of exceptions, the most relevant in respect of this relief will be the 'de minimis' rules, which is up to €200,000 over a period of three years.

6. Decisions and reviews

6.1 Each award will be decided on its individual merits however in determining relief Norwich will take into consideration

- This policy,
- The guidance document provided by the DCLG
- Relevant legislation.
- The impact of granting a relief if it was to go against the authority's wider objectives for the local area
- Other reliefs / grants awarded to the ratepayer
- How the activities of the business contribute to the corporate plan priorities
 - Safe and clean city
 - Prosperous city
 - Decent housing for all
 - City of character and culture
 - Value for money services

6.2 Awards will be determined by the executive head of business relationship management and democracy.

6.3 The Council will aim to make a decision within 4 weeks of identifying a relevant property.

6.4 Asking for a review

Any ratepayer may make a request for a review only where there is

- additional information not available at the time of the original decision or
- there are good grounds to believe any supporting information was not interpreted correctly at the time the decision was taken

6.5 A request for a review should be made in writing to the council within 4 weeks of notification of the original decision supplying the additional supporting information.

6.6 Reviews will be considered by the Council's s151 officer

7. Requirements to make payment of amounts falling due

7.1 Ratepayers must continue to pay any amount of rates that fall due whilst an award is being calculated. In the event that payments are not received as due the Council may continue with its normal enforcement procedures.

8. Length of award

8.1 This relief is a temporary relief and only in place for the years 2015/16 and 2016/17 only.

8.2 The relief shall be removed when the Council has reason to believe that the qualifying circumstances have ended or the ratepayer advises the same. There is a duty on the ratepayer to advise the Council of any changes of circumstances that they consider will affect their entitlement to relief. Removal of the relief will be backdated to the date of the relevant change in circumstances.

9. Financial impact to Norwich City Council

9.1 The cost of any relief granted under this relief shall be reimbursed in full by central government using a grant under s31 of the Local Government Act 2003

10. Future amendments to this policy

10.1 Where minor amendments need to be made to ensure the continued effectiveness of this policy such amendments will be made after consultation with the deputy leader and resources portfolio holder.