

Dacorum Borough Council

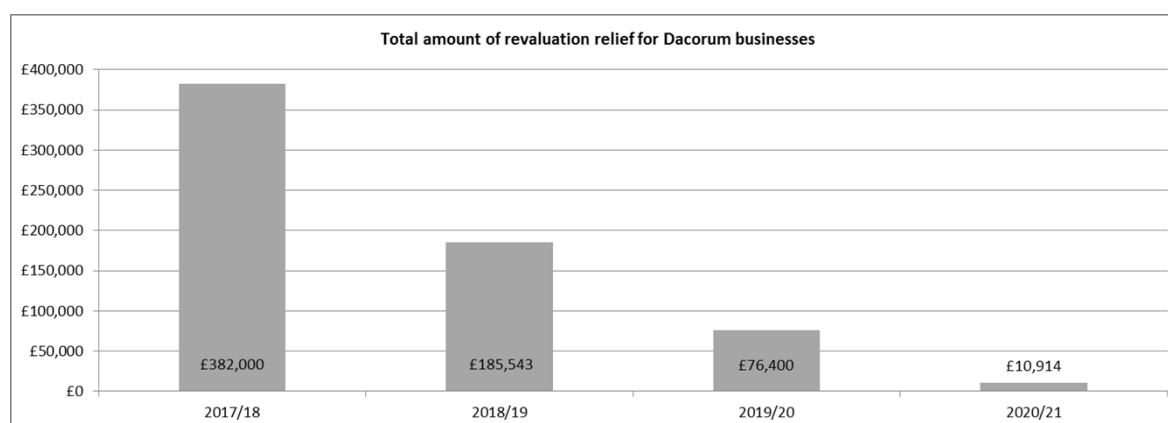
Revaluation Relief scheme – 2017/18 to 2020/21

Background

This scheme gives details of how Dacorum Borough Council (DBC) will distribute its portion of the £300 million announced by the Chancellor during Spring Budget 2017, in order to provide help to businesses most affected by the revaluation.

The Government has [allocated funding](#) which enables DBC to award relief to a total value of £654,857 across the four financial years from 2017/18 to 2020/21, spread as follows:

	Amount of discretionary pot awarded			
	2017/18	2018/19	2019/20	2020/21
Dacorum	£382,000	£185,543	£76,400	£10,914



The Government has confirmed that money cannot be transferred between years. The Government will make grant payments to DBC and to Hertfordshire County Council (HCC) to offset the cost of any relief awarded, as long as it meets the following conditions:

- The total amount of relief awarded during a financial year does not exceed the value shown above.
- DBC has consulted with HCC prior to agreeing a scheme. (This consultation took place during late September 2017.)
- The scheme must only provide relief to ratepayers who have seen an increase in their business rates bill due to the revaluation.

Scheme conditions

- The ratepayer must be liable for business rates on the property on both 31 March 2017 and 1 April 2017, demonstrating that they have actually been impacted by the revaluation.
- The property must have been occupied on both of these dates, and remain in occupation.
- The cash value of the business rates increase from 2016/17 to 2017/18 is more than £600, having taken other reliefs into account (with the exception of Support for Pubs relief).

- To receive relief for 2018/19 or subsequent years, the ratepayer must be continuously entitled to relief from 2017/18.
- The value of any award will be capped, so that any ratepayer receiving support under this scheme has an increase of at least £600 per year. This is to provide consistency with the Supporting Small Business rate relief scheme.
- All awards will be calculated on a daily basis, and will come to an end if the ratepayer vacates the property, or another change in circumstances renders them ineligible for the relief.
- Awards will be based on the rateable values as shown in the 2010 and 2017 Rating Lists on 1 April 2017. The amount of an award may be reduced if there is a subsequent change to either Rating List which would affect the calculation, but awards will not be increased on this basis.
- The ratepayer must not be liable for business rates for properties with a cumulative rateable value of £200,000 or more on the 2017 Rating List.
- In accepting an award, the ratepayer must comply with the State Aid De Minimis Regulations EC 1407/2013.
- Applications for relief must be received by 31 December 2017.

Calculation of amount of award

2017/18 financial year

The amount awarded will be 67% of the increase from the 2016/17 to 2017/18 business rates bill, with the value capped to ensure a minimum increase of £600.

Towards the end of the financial year, the total value of relief awarded will be reviewed. If this value is significantly lower than the £382,000 limit, the difference will be allocated to ratepayers receiving relief, where their award was not capped to the £600 increase.

Following the end of year review of relief, the percentage awarded was increased to 100%, with the value capped so each business still faced a £600 increase. This resulted in an overall grant of £318,488, or 83% of the maximum value allowed.

2018/19 financial year (year 2 of scheme)

The amount awarded will be 23.9% of the increase from the 2016/17 to 2018/19 business rates bill, with the value capped to ensure a minimum increase of £1,200 across the two financial years (i.e. an increase of £600 each year). Current modelling shows that this will allocate 99.9% of the maximum value of relief allowed for the year.

Towards the end of the financial year, the total value of relief awarded will be reviewed. If this value is significantly lower than the £185,543 limit, the difference will be allocated to ratepayers receiving relief, where their award was not capped to the £1,200 increase.

Following the end of year review of relief, no change was made to the percentage awarded. The year end position was an overall grant of £177,361, or 96% of the maximum value allowed.

2019/20 financial year (year 3 of scheme)

The amount awarded will be 8.1% of the increase from the 2016/17 to 2019/20 business rates bill, with the value capped to ensure a minimum increase of £1,800 across the three financial years (i.e. an increase of £600 each year). Current modelling shows that this will allocate 100% of the maximum value of relief allowed for the year.

Towards the end of the financial year, the total value of relief awarded will be reviewed. If this value is significantly lower than the £76,400 limit, the difference will be allocated to ratepayers receiving relief, where their award was not capped to the £1,800 increase.

Future financial years

The same principles will be followed, but the percentage amount of increase in the relief calculation will be dependent on the Government limit for each year, and the actual rates increases of eligible ratepayers.