

Business Rate Revaluation Support Policy Consultation Summary

16 October 2017

Background

The Valuation Office Agency has recently completed a revaluation of all Non Domestic properties, the new rateable values came into effect from 01 April 2017. The revaluation has affected the amount of business rates many businesses across Eastbourne have to pay.

Whilst Eastbourne's ratepayers are paying less overall in business rates because of the revaluation, there is still a high number that individually have seen an increase.

The Government announced that funding for a number of different support schemes would be made available to mitigate the impact on businesses. Following the budget on the 08 March, the Chancellor announced that the Government would provide £300m in funding to support those businesses most affected.

The Council is expected to use its discretionary powers to deliver the reliefs. The Government expects councils to design their own schemes as they are best placed to judge the particular circumstances of local ratepayers and direct the funding where it's most needed.

Billing authorities are required to consult with their major precepting authorities before adopting any discretionary relief support scheme.

The council's consultation was also extended to include local ratepayers, The Chamber of Commerce, Small Business Federation and Eastbourne Hospitality Association.

How we consulted

We carried out a public consultation from 18 August 2017 to 08 October 2017. We published the Business Rate Revaluation Support Policy on the council's website which included the background, reasons for the proposals and details of the scheme design.

We provided an online survey which asked 5 questions on the principles of the scheme design. We made paper copies of the policy and survey questions available on request. We also offered this information in different languages and formats.

We publicised the consultation through local media by sending a press release which resulted in local press coverage (the Herald). We alerted our consultation mailing list by sending an email alert on the day the consultation launched and a reminder message one week prior to the consultation closing. We also emailed the consultation information to all rate payers that we hold email addresses for. We promoted the consultation through our social media channels throughout the consultation period to encourage further participation. We also send the consultation

information to partner organisations such as the Federation of Small Businesses, The Chamber of Commerce and Eastbourne Hospitality Association with a request both to participate in the consultation and to share the consultation with their membership.

Major preceptors were emailed a copy of the scheme and invited to provide their feedback.

Key Findings

Responses were received from 26 ratepayers / individuals and are summarised below:

4. To what extent do you agree or disagree with the following statements:						
	Strongly agree	Agree	Disagree	Strongly Disagree	Don't know	Response Total
Relief should be available to ratepayers with a rateable value up to £200,000	56.0% (14)	20.0% (5)	12.0% (3)	8.0% (2)	4.0% (1)	25
Relief should only be available to local businesses	69.2% (18)	15.4% (4)	0.0% (0)	3.8% (1)	11.5% (3)	26
The level of relief available should be based on the increase between the ratepayer's 2016/17 and 2017/18 bill	48.0% (12)	24.0% (6)	4.0% (1)	8.0% (2)	16.0% (4)	25
Relief should only be available on occupied premises	65.4% (17)	15.4% (4)	7.7% (2)	7.7% (2)	3.8% (1)	26
Ratepayers in arrears should not be eligible for support (unless it can be demonstrated that the arrears were accrued as a direct impact of the revaluation)	53.8% (14)	38.5% (10)	0.0% (0)	3.8% (1)	3.8% (1)	26
					answered	26
					skipped	0

Five respondents disagreed that relief should be available to ratepayers with a rateable value up to £200,000 and three respondents disagreed that the relief should be based on the increase between the ratepayers 2016/17 and 2017/18 bill.

The funding allocation criteria is based on properties that satisfy two conditions, a rateable value less than £200k and the increase in the ratepayers bill for 2017/18 is more than 12.5%.

Whilst we would like to support all business sectors impacted on by the revaluation with rateable values above the funding threshold, the funding is limited and any overspend would have to be met by the council and major precepting authorities. Any overspend could also affect the level of service we can deliver in other areas of council activity.

Four respondents disagreed that relief should only be available on occupied premises. Under the current regulations, when a property falls empty the ratepayer is entitled to a 3 month exemption, and in the case of industrial premises 6 months, before rates become due.

Major precepting authorities felt that the scheme was consistent with others adopted nationally and confirmed their support.

Conclusion

Overall there was broad agreement on the key principles of the scheme and therefore it is proposed that no further changes are required. We recognise that there may be certain business sectors who will not qualify for relief. If this situation were to arise and where there is compelling evidence and justification for inclusion, we could amend the policy from year two onwards.