



ADUR & WORTHING
COUNCILS

Joint Strategic Committee
5 December 2017
Agenda Item 8

Key Decision: No

Ward(s) Affected: all

Report to determine the local schemes for Business Rates Discretionary Relief

Report by the Director for Digital & Resources

Executive Summary

1. Purpose

1.1 The Joint Strategic Committee considered a report on 12th September 2017 that explained that:

- Some businesses have seen a fall in their Business Rates liabilities as the result of the revaluation of Rateable Values from 1 April 2017 whilst other businesses are subject to an increase in their bills
- The Government is providing local authorities with grant funding to minimise the impact of increases
- By way of a public consultation the Councils should seek to utilise this funding and develop appropriate criteria against which local discretionary schemes are implemented

1.2 This report provides the results from the public consultation and asks Members to recommend to the respective Full Councils the criteria that should be applied to enable the local discretionary schemes to be implemented in Adur and Worthing.

2. Recommendations

The Joint Strategic Committee is asked to:

- 1) Note the content of this report; and
- 2) Determine whether the criteria detailed in paragraphs 5.3 to 5.5 and paragraph 5.7 should form the basis of the recommendations to be made to the meetings of the Full Councils on 14 and 19 December 2017 in respect of the rules to be applied to the discretionary award schemes for Adur District Council and Worthing Borough Council respectively for 2017/18; and
- 3) Determine whether the criteria detailed in paragraphs 5.6 and 5.7 should form the basis of the recommendations to be made to the meetings of the Full Councils on 14 and 19 December 2017 in respect of the rules to be applied to the discretionary award schemes for Adur District Council and Worthing Borough Council respectively for 2018/19, 2019/20 and 2020/21.

3. Context

- 3.1 From 1 April 2017 the Rateable Values that form the basis of calculating Business Rates bills for all non-domestic properties were revalued by the Valuation Office Agency.
- 3.2 Whilst some ratepayers saw a reduction in the amount of Business Rates that are payable, others saw an increase and in the Spring Budget on 8 March 2017 the Chancellor announced three new reliefs to assist the latter
- A reduction of up to £1,000 per annum for pubs
 - Support for Small Businesses
 - Discretionary relief, to be determined by each local authority
- 3.3 In order to introduce these reliefs the Government has not amended legislation and instead they will be awarded by local authorities through use of their existing powers to grant discretionary assistance under Section 47 of the Local Government Finance Act 1988, as amended.
- 3.4 Local Authorities will be fully reimbursed for the loss of Business Rates income via grants under Section 31 of the Local Government Act 2003. In the first instance payment will be made by the Government to the billing authority which will then share monies with the major precepting authority - West Sussex County Council (WSSCC).
- 3.5 The reductions for pubs and small businesses were described in paragraphs 4.1.1 to 4.2.8 of the report considered by the Joint Strategic Committee on 12 September 2017 and for completeness are repeated in appendix one of this report.
- 3.6 The discretionary relief schemes require consultation with local ratepayers and WSSCC. This report contains the results from the consultation that was conducted from 19 September 2017 to 13 October 2017.

4. Issues for consideration

4.1 Discretionary relief

- 4.1.1 The Government has announced a national budget of £300m over four years from 1 April 2017 allocated as follows
- £175m in 2017/18
 - £85m in 2018/19
 - £35m in 2019/20
 - £5m in 2020/21
- 4.1.2 The amount of rate relief that was indicatively allocated to Adur and Worthing businesses was:

	<u>2017/18</u> <u>£'000</u>	<u>2018/19</u> <u>£'000</u>	<u>2019/20</u> <u>£'000</u>	<u>2020/21</u> <u>£'000</u>
Adur	115	56	23	3
Worthing	186	90	37	5

- 4.1.3 The indicative allocations were calculated by reference to the number of properties in each area (as shown in the draft Rating List that was published in September 2016) where bills were due to increase by more than 12.5% and the 2017 Rateable Value is less than £200,000.
- 4.1.4 Following a consultation between 9 March 2017 and 7 April 2017 (which the Councils responded to), on 28 April 2017 the Government wrote to local authorities with final grant allocations in respect of 2017/18. The Council will, of course, only be reimbursed for fifty percent of the value of any relief granted through the Business Rate Retention Scheme and the following allocations were confirmed
- Adur: £57,400
 - Worthing: £93,089
- 4.1.5 Although figures for the following three financial years have not yet been formally confirmed it appears likely that they will be similar to the indicative figures shown in the table in paragraph 4.3.2.
- 4.1.6 The criteria against which relief will be granted must be determined by the Councils and in the context that awards will be fully reimbursed by the Government it is appropriate to maximise use of the available budget.

4.2 State Aid

- 4.2.1 State Aid law is the means by which the European Union regulates state-funded support to businesses.
- 4.2.2 Applying a reduction to a Business Rates liability by way of relief for pubs, Support for Small Businesses or discretionary relief amounts to State Aid. However, an award will be compliant where it is provided in accordance with the De Minimis Regulations (1407/2013).
- 4.2.3 The De Minimis Regulations allow an “undertaking” (i.e. a business) to receive up to €200,000 in a rolling three-year period (consisting of the current financial year and the two previous financial years).
- 4.2.4 It is therefore unlikely that none of these three reliefs can be awarded to ratepayers that are liable for Business Rates in respect of multiple properties (e.g. national chains).

4.3 Analysis of increase in Business Rates liabilities

- 4.3.1 The summary results of an analysis of the Business Rates databases are shown in appendix two. Members should note that the analysis is not definitive since it is not possible to confirm the precise number of ratepayers who will not qualify for assistance due to the De Minimis State Aid rules. Consequently the possible options provided in paragraph 5.2 allow for an increased volume of successful awards.
- 4.3.2 The analysis suggests that the total number of ratepayers who have become subject to an increase in the annual net value of Business Rates payable in respect of 2017/18 and who appear likely to satisfy the De Minimis State Aid rules are
- Adur: 433 accounts with a total increase of £508,501
 - Worthing: 635 accounts with a total increase of £759,827
- 4.3.3 Appendices three, four and five provide an analysis of those accounts that appear likely to qualify for discretionary assistance based on the value of the annual increase, the percentage of the annual increase and the 2017 Rateable Value respectively.

- 4.3.4 It is suggested to Members that both from the perspective of ratepayers understanding the locally-determined schemes and the administration of awards, it is desirable to make the qualifying criteria as straightforward as possible.
- 4.3.5 The draft Rating List was published in September 2016 meaning that businesses considering moving into a property would have been able to establish the value of Business Rates that would become due. It is therefore recommended that awards of discretionary relief should only be considered if the ratepayer was liable to pay Business Rates at the address on or before 1 January 2017.
- 4.3.6 WSCC has fifty-eight Business Rates liabilities throughout Adur and Worthing and will undoubtedly have additional liabilities within the other five district and borough council areas (e.g. in respect of schools and other Council buildings). It would therefore seem likely that, due to the De Minimis State Aid Regulations, WSCC will not be able to benefit from awards of discretionary relief.
- 4.3.7 Nevertheless, via the county-wide Chief Finance Officer's Group, the County Council has requested that consideration should be given to awarding some discretionary relief to WSCC and officers have encouraged WSCC to submit a consultation response.

5. Engagement and Communication

- 5.1 Appendix six contains details of the twenty-nine responses to the public consultation that were received. The consultation was conducted from 19 September 2017 to 13 October 2017.
- 5.2 Members can choose to apply whatever qualifying criteria they consider to be appropriate for the local schemes. To achieve a straightforward scheme, a number of approaches could be adopted in order that the grant funding detailed in paragraph 4.1.4 is maximised to support businesses:

Option 1

Awarding equal reductions to each qualifying ratepayer up to a maximum of the annual rates that are payable for 2017/18

- a. In Adur this would enable a reduction for each eligible Rates bill of £265 (i.e. £115,000 divided by 433 ratepayers)
- b. In Worthing this would enable a reduction for each eligible Rates bill of £292 (i.e. £186,000 divided by 635 ratepayers)

Option 2

Comparing the available grant funding with the total increase in the value of rates that are payable during 2017/18 and reducing individual liabilities by the same percentage

- c. In Adur this would enable a reduction in the increased amount that's due to be paid of 22% (e.g. if the Rates bill for 2017/18 has increased by £100 a discretionary award of £22 would be made, whereas a bill that has increased by £1,000 would have a discretionary award of £220)
- d. In Worthing this would enable a reduction for each eligible Rates bill of 24% (e.g. if the Rates bill for 2017/18 has increased by £100 a discretionary award of £24 would be made, whereas a bill that has increased by £1,000 would have a discretionary award of £240)

Option 3

Applying the same principle detailed in option two above but not granting awards in respect of smaller (by value) annual increases which would increase the percentage relief to

	<u>Adur</u>	<u>Worthing</u>
Accounts subject to an increase of less than £100 are not awarded any discretionary relief	22.8%	24.6%
Accounts subject to an increase of less than £200 are not awarded any discretionary relief	23.2%	25.0%
Accounts subject to an increase of less than £300 are not awarded any discretionary relief	23.8%	25.4%
Accounts subject to an increase of less than £500 are not awarded any discretionary relief	24.8%	26.9%
Accounts subject to an increase of less than £1,000 are not awarded any discretionary relief	26.4%	28.5%

Option 4

Applying the same principle detailed in option two above but not granting awards in respect of

- a. Pubs (on the basis that qualifying pubs will receive relief of £1,000 detailed in paragraphs 4.1.1 to 4.1.4); and
- b. Properties with a Rateable Value of less than £15,000 (on the basis that that Small Business Rates Relief is likely to have been awarded as detailed in paragraphs 4.2.1 and 4.2.2); and
- c. Properties with a Rateable Value of more than £200,000 (on the basis that such properties have not been included in the calculation of the Government Grant)

Analysis suggests that

- In Adur there appear to be 180 ratepayers who would qualify for 32% relief
- In Worthing there appear to be 277 ratepayers who would qualify for 40% relief

If the principles for option 4 are adopted but qualifying pubs are not excluded from entitlement, the percentage relief available would be reduced from

- 32% to 30% for Adur
- 40% to 38% for Worthing

Option 5

Applying the same principle detailed in option four above but not granting awards in respect of smaller (by value) annual increases which would increase the percentage relief to

	<u>Adur</u>	<u>Worthing</u>
Accounts subject to an increase of less than £100 are not awarded any discretionary relief	32%	40% (no change)
Accounts subject to an increase of less than £200 are not awarded any discretionary relief	32%	40% (no change)
Accounts subject to an increase of less than £300 are not awarded any discretionary relief	32%	40% (no change)
Accounts subject to an increase of less than £500 are not awarded any discretionary relief	33%	42%
Accounts subject to an increase of less than £1,000 are not awarded any discretionary relief	35%	45%

If the principles for option 5 are adopted but qualifying pubs are not excluded from entitlement, the relief would be reduced by 1% in all instances for both Councils.

- 5.3 The responses to the public consultation support not awarding discretionary relief
- Where the Rateable Value of the property is £200,000 or more
 - In respect of pubs that have been awarded £1,000 relief in respect of 2017/18
 - The ratepayer has been awarded Small Business Rates Relief
 - Unless the ratepayer was liable for Business Rates at the same address on 1st January 2017
- 5.4 Additionally, the responses support awarding a fixed percentage of reduction irrespective of how much the rate payer's bill is, and re-calculating relief if the Rateable Value of the property changes or the rate payer vacates the address.
- 5.5 It is therefore suggested that adopting option 4 in paragraph 5.2 may be the most appropriate criteria for the Councils to adopt in respect of 2017/18, such that qualifying awards for 2017/18 will be
- A 32% reduction in the increase between the 2016/17 and 2017/18 bills in Adur
 - A 40% reduction in the increase between the 2016/17 and 2017/18 bills in Worthing
- if pubs are excluded from entitlement or
- A 30% reduction in the increase between the 2016/17 and 2017/18 bills in Adur
 - A 38% reduction in the increase between the 2016/17 and 2017/18 bills in Worthing
- if pubs are not excluded from entitlement.

- 5.6 Members should be mindful that total awards cannot exceed the total grant that is available each year. The annual grant figures for 2018/19, 2019/20 and 2020/21 are not yet known, and it is therefore suggested that in order that the schemes seek to maximise use of the available grants
1. The same qualifying criteria should be applied in respect of the schemes for these three financial years; and
 2. The percentage reductions for these three financial years should be determined annually by the respective Cabinet Members for Resources (based upon information provided by the Head of Revenues & Benefits following a further annual analysis)
- 5.7 For each financial year (from 2017/18 onwards) it is suggested that
- If the total grant available has already been awarded to ratepayers; and
 - A further application for relief is received from a ratepayer who would otherwise qualify for assistance
- then no relief should be awarded on the basis that the available budget has already been utilised.

6. Financial Implications

- 6.1 In March 2017, Central Government announced that it would make available a discretionary fund of £300 million over 4 years from 2017/18 to support those businesses that faced increases in their business rates as a result of the revaluation.
- 6.2 Each authority within England has been provided with a share of the £300 million fund to support local businesses. This is to be administered through billing authorities' discretionary relief powers under section 47 of the Local Government Finance Act 1988.
- 6.3 The funding is not provided equally over the four-year period but split as follows:

Year 1	Year 2	Year 3	Year 4
58%	28%	12%	2%

- 6.4 Councils will be compensated for any relief granted under section 31 of the Local Government Act 2003. However, a key criteria of this reimbursement will be that all Billing Authorities will consult with major precepting authorities when designing their scheme.
- 6.5 The Councils' allocation of the Government funding for discretionary relief for local businesses has been confirmed.

Amount of discretionary fund awarded (£000s) for business rate relief					
Council	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000	Total
Adur	115	56	23	3	197
Worthing	186	90	37	5	318

- 6.6 Under the business rate retention scheme, the cost of any relief awarded is shared as follows
- Adur / Worthing Council 40%
 - West Sussex County Council 10%
 - HM Treasury 50%

The Councils will be fully reimbursed for the loss of any income via a grant (using a grant under section 31 of the Local Government Act 2003) up to a maximum of

- Adur £57,400
- Worthing £93,089

- 6.7 The funding is front loaded for 2017/18. Any unused funds at the year end will be returned to the Government.
- 6.8 In addition, each Council has received a small £12,000 one-off grant for the administrative and IT costs associated with introducing the new reliefs.

7. Legal Implications

- 7.1 The power to grant discretionary relief is set out in Section 47 Local Government Finance Act 1988 as amended by the Localism Act 2011. The legislation states the qualifying conditions as one or more of the following;

“(a)the ratepayer is a charity or trustees for a charity, and the hereditament is wholly or mainly used for charitable purposes (whether of that charity or of that and other charities);

(b)the hereditament is not an excepted hereditament, and all or part of it is occupied for the purposes of one or more institutions or other organisations none of which is established or conducted for profit and each of whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts;

(c)the hereditament is not an excepted hereditament, it is wholly or mainly used for purposes of recreation, and all or part of it is occupied for the purposes of a club, society or other organisation not established or conducted for profit”

Section 47 (1) (a) of the Act allows the billing authority concerned to determine the rules to be applied in applying the discretionary relief.

It is for billing authorities to design their own discretionary relief schemes and determine the eligibility of ratepayers for support. The scheme must clearly set out the criteria that ratepayers across the local authority area need to meet in order to qualify for discretionary relief and it is very important that billing authorities have readily understood guidelines for deciding whether or not to grant relief and for determining the amount of any relief given.

The Non-Domestic Rating (Discretionary Relief) Regulations 1989 requires charging authorities to give notice of the making or revocation of a decision to grant discretionary relief, and of the making or variation of a determination of the chargeable amount (or of the rules for calculating the chargeable amount) payable during any period when the charging authority has decided to grant relief.

Section 31 Local Government Act 2003 provides the discretion for a Minister of the Crown to pay a grant to local authorities towards expenditure incurred by it. These

grants are to be paid in an amount and manner for the person paying that grant to determine, and under such conditions as they may determine.

Background Papers

Local Government Finance Act 1988

Local Government Act 2003

Letter from the Department for Communities and Local Government dated 28 April 2017

Business Rates Information Letter (2/2017)

Business Rates Information Letter (4/2017)

De Minimis Regulations (1407/2013)

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Sustainability & Risk Assessment

1. Economic

Maximisation of the available grant funding for discretionary rate relief will support businesses throughout the area.

2. Social

2.1 Social Value

Matter considered and no issues identified.

2.2 Equality Issues

Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified.

2.4 Human Rights Issues

Matter considered and no issues identified.

3. Environmental

Matter considered and no issues identified.

4. Governance

Matter considered and no issues identified.

APPENDIX ONE - relief for pubs and Support for Small Businesses

Relief for pubs

The qualifying criteria in respect of relief for pubs are

- The pub must be occupied; and
- The property must have a rateable value of less than £100,000

The Government's stated policy intention is that eligible pubs must be open to the public, allow free entry (other than when occasional entertainment is provided), allow drinking without requiring food to be consumed, and permit drinks to be purchased at a bar. Consequently, certain types of business (including restaurants, cafes, nightclubs and hotels) are excluded.

The relief will only be awarded in respect of 2017/18 and work has been completed to identify and award, where appropriate, relief for qualifying ratepayers.

Support for Small Businesses

For 2016/17 most ratepayers with a Rateable Value of £6,000 or less were entitled to 100% Small Business Rates Relief (SBRR). Those with a Rateable Value of between £6,000 and £12,000 received tapered relief from 100% to 0%.

From 1 April 2017 the threshold for full relief was increased from £6,000 to £12,000 with the threshold for 0% tapered relief increased from £12,000 to £15,000. The Government's stated intention is that the amended thresholds will ensure that most ratepayers entitled to SBRR during 2016/17 will pay less or nothing as the result of the revaluation.

For 2016/17 sole post offices, general stores, pubs or petrol stations in rural settlements (with populations of less than three thousand) were entitled to 50% rate relief where

- A post office or general store has a Rateable Value of less than £8,500
- A pub or petrol station has a Rateable Value of less than £12,500

This is known as Rural Rate Relief (RRR) and the reduction increased to 100% from 1 April 2017. There are no properties benefiting from this relief in either Adur or Worthing.

In order to qualify for the new "Support for Small Businesses" relief from 1 April 2017 a ratepayer must be losing some (or all) of their SBRR or RRR and as a result be facing a large increase in their bill.

By granting additional support, the increase in the amount payable by the ratepayer will be limited to the greater of

- An increase (in comparison to the rates bill for 2016/17 after SBRR/RRR was granted) of 5% in 2017/18, 7.5% in 2018/19, 10% in 2019/20, 15% in 2020/21 and 15% in 2021/22; or
- A cash value of £600 per year

This means that ratepayers losing some or all of their SBRR/RRR will see the increase in their 2017/18 bill capped at £600. Additionally, the cash minimum value increase will be £600 per year thereafter which means that ratepayers entitled to assistance under this scheme will be paying £3,000 more in 2021/22.

The Department for Communities and Local Government has indicated that it anticipates that the number of ratepayers awarded "Support for Small Businesses" is likely to be small.

Additional software functionality is due to be installed to enable qualifying ratepayers to be identified and "Support for Small Businesses" relief to be awarded.

APPENDIX TWO - database summary analysis

		<u>Adur</u> <u>(number)</u>	<u>Adur</u> <u>(value)</u>	<u>Worthing</u> <u>(number)</u>	<u>Worthing</u> <u>(value)</u>
1.	Number of properties	2,144	N/A	3,176	N/A
2.	Number of properties with £nil to pay in 2016/17 and £nil to pay in 2017/18	872	N/A	1,029	N/A
3.	Ratepayers with £nil to pay in 2016/17 but something to pay in 2017/18	24	£53,203	22	£60,673
4.	Number of ratepayers included in 3 above that potentially appear to satisfy the De Minimis rules	22	£50,122	21	£55,975
5.	Number of ratepayers with something to pay in 2016/17 but nothing to pay in 2017/18	243	N/A	434	N/A
6.	Number of ratepayers with something to pay in 2016/17 and an increased amount to pay in 2017/18	595	£1.170m extra	925	£1.606m extra
7.	Number of ratepayers included in 6 above who are individuals (rather than companies)	100	£84.0k	136	£103.6k
8.	Number of ratepayers included in 6 above who are companies (rather than individuals)	495	£1.086m	789	£1.503m
9.	Number of ratepayers included in 8 above who would appear to satisfy the State Aid rules	311	£374.4k	478	£600.2k
10.	Total accounts that appear to potentially qualify for discretionary assistance (lines 4, 7 and 9)	433	£508.5k	635	£759.8k

APPENDIX THREE - analysis by property description

Adur

<u>Property description</u>	<u>Increased bill (no. of properties)</u>	<u>Net value increase £'000</u>	<u>Decreased bill or no change (no. of properties)</u>	<u>Net value decrease £'000</u>
Advertising right	7	0.3	36	-2.9
Automatic Teller Machine (ATM)	1	0.03	7	-0.8
Bank and premises	7	7.7	2	-0.8
Beach hut	2	0.3	471	-0.8
Car park or parking space	8	2.5	13	-2.4
Car showroom	5	35.6	0	0
Club and premises or clubhouse	12	3.7	13	-10.7
Communication station	15	2.6	15	-14.4
Day nursery and premises	3	2.9	3	-0.2
Factory and premises	8	32.9	27	-33.5
Guesthouse or hotel	0	0	1	0
Hospital	1	29.7	0	0
Offices	128	67.3	129	-32.8
Public House	13	36.2	17	-31.3
Restaurant and premises	11	13.0	5	-7.8
School and premises	16	53.7	3	-18.2
Shop and premises	146	130.9	287	-164.1
Store and premises	8	2.3	62	-8.8

Supermarket or Superstore	1	2.8	3	-84.4
Surgery and premises	11	20.7	14	-9.4
Warehouse and premises	46	149.4	111	-131.6
Workshop and premises	50	124.5	171	-110.9
Other	119	503.3	135	-149.3

APPENDIX THREE - analysis by property description

Worthing

<u>Property description</u>	<u>Increased bill (no. of properties)</u>	<u>Net value increase £'000</u>	<u>Decreased bill or no change (no. of properties)</u>	<u>Net value decrease £'000</u>
Advertising right	19	0.2	53	-1.5
Automatic Teller Machine (ATM)	2	0.1	27	-4.7
Bank and premises	11	7.9	7	-19.0
Beach hut	27	4.6	287	-0.5
Car park or parking space	32	32.0	42	-6.3
Car showroom	7	69.7	7	-9.6
Club and premises or clubhouse	11	3.7	17	-14.4
Communication station	34	7.6	7	-8.9
Day nursery and premises	19	30.7	5	0.0
Factory and premises	23	54.3	28	-66.9
Guesthouse or hotel	11	56.4	9	-1.4
Hospital or hospice	3	129.9	2	-4.1
Offices	125	124.4	334	-202.7
Public House	21	67.9	28	-65.1
Restaurant and premises	18	25.7	20	-51.1
School/college and premises	29	165.6	8	-15.8
Shop and premises	289	302.0	904	-976.5
Store and premises	31	3.8	49	-7.8
Supermarket or Superstore	1	9.0	4	-79.4

Surgery and premises	20	23.3	26	-26.0
Warehouse and premises	47	51.4	70	-57.1
Workshop and premises	42	43.9	146	-82.1
Other	126	452.6	148	-287.0

APPENDIX THREE - ratepayers who appear likely to potentially qualify for discretionary assistance (analysis by value increase)

<u>Value increase compared to 2016/17</u>	<u>Adur (number)</u>	<u>Adur (value) £'000</u>	<u>Worthing (number)</u>	<u>Worthing (value) £'000</u>
Ratepayers with an annual increase of less than £100	113	5.4	173	6.5
Ratepayers with an annual increase of between £100 and £200	60	9.1	63	9.3
Ratepayers with an annual increase of between £200 and £300	43	10.8	55	13.6
Ratepayers with an annual increase of between £300 and £500	51	20.3	98	39.0
Ratepayers with an annual increase of between £500 and £1,000	43	28.7	59	39.5
Ratepayers with an annual increase of between £1,000 and £2,000	62	86.2	94	132.8
Ratepayers with an annual increase of between £2,000 and £5,000	39	118.2	70	208.6
Ratepayers with an annual increase of more than £5,000	22	229.8	23	310.5

APPENDIX FOUR - ratepayers who appear likely to potentially qualify for discretionary assistance (analysis by percentage increase)

<u>Percentage increase compared to 2016/17</u>	<u>Adur (number)</u>	<u>Adur (value) £'000</u>	<u>Worthing (number)</u>	<u>Worthing (value) £'000</u>
Ratepayers who paid £nil in 2016/17 but who have something to pay in 2017/18	22	50.1	21	56.0
Ratepayers with an annual increase of less than 2.5%	55	7.3	100	20.8
Ratepayers with an annual increase of between 2.5% and 5%	51	20.7	43	29.6
Ratepayers with an annual increase of between 5% and 7.5%	169	51.3	282	78.2
Ratepayers with an annual increase of between 7.5% and 10%	15	12.8	29	63.2
Ratepayers with an annual increase of between 10% and 15%	46	94.4	66	114.6
Ratepayers with an annual increase of between 15% and 20%	13	45.9	27	73.2
Ratepayers with an annual increase of between 20% and 50%	26	148.3	25	164.1
Ratepayers with an annual increase of more than 50%	36	75.7	42	160.2

APPENDIX FIVE - ratepayers who appear likely to potentially qualify for discretionary assistance (analysis by 2017 rateable value)

<u>Rateable Value (RV) 2017</u>	<u>Adur</u> <u>(number)</u>	<u>Adur</u> <u>(value)*</u> <u>£'000</u>	<u>Worthing</u> <u>(number)</u>	<u>Worthing</u> <u>(value)*</u> <u>£'000</u>
RV less than £1,000	7	0.9	46	1.6
RV between £1,000 and £5,000	97	22.8	81	24.1
RV between £5,000 and £7,500	37	20.9	68	34.2
RV between £7,500 and £10,000	48	22.1	47	18.4
RV between £10,000 and £15,000	49	22.5	100	50.6
RV between £15,000 and £20,000	64	41.1	88	46.1
RV between £20,000 and £30,000	45	58.7	62	69.8
RV between £30,000 and £50,000	32	36.1	59	89.9
RV between £50,000 and £100,000	26	75.6	56	180.2
RV more than £100,000	28	207.8	28	244.9

**** increase in the annual Rates that are payable compared to 2016/17***

APPENDIX SIX - responses to the public consultation

A total of twenty-nine responses were received.

Question 1

About you

	<u>Number</u>	<u>Percentage</u>
A ratepayer in Adur	2	6.9%
A ratepayer in Worthing	14	48.3%
A resident of either Adur or Worthing	13	44.8%

Question 2

The Councils are considering setting a Rateable Value cap of £200,000 above which no relief will be awarded. This means that if a property has a Rateable Value of £200,000 or more, no relief will be awarded. This is in line with the Government's grant distribution formula. Do you agree with this proposal?

	<u>Number</u>	<u>Percentage</u>
Yes	20	69.0%
No	9	31.0%

Question 3

If you answered "No" to question 2, should the Rateable Value be capped?

	<u>Number</u>	<u>Percentage</u>
Yes	5	55.6%
No	4	44.4%

If yes, what level should the cap be set at?

- £100,000 (1 respondent)
- £300,000 (2 respondents)
- £350,000 (1 respondent)
- £1,000,000 (1 respondent)

Question 4

The Councils are considering not awarding relief for pubs that have already been awarded reduction of £1,000 for 2017/18. Do you agree with this proposal?

	<u>Number</u>	<u>Percentage</u>
Yes	26	89.7%
No	3	10.3%

Question 5

The Councils are considering not awarding relief for ratepayers who have already been awarded Small Business Rates Relief. Do you agree with this proposal?

	<u>Number</u>	<u>Percentage</u>
Yes	22	75.9%
No	7	24.1%

Question 6

Relief will only be considered if the ratepayer was liable to pay Business Rates at the same address on 1st January 2017. Do you agree with this proposal?

	<u>Number</u>	<u>Percentage</u>
Yes	18	62.1%
No	11	37.9%

Question 7

The Councils are considering the following methodologies. Please indicate your preference or specify alternative criteria that you think would be more appropriate.

	<u>Number</u>	<u>Percentage</u>
A fixed amount of reduction irrespective of how much the rate payer's bill is	2	6.9%
A fixed percentage of reduction irrespective of how much the rate payer's bill is	25	86.2%
Alternative criteria (please specify below)	2	6.9%

The two responses for alternative criteria were:

- Percentage should be on value of the property - unless it is a community based charity (1 respondent)**
- Should be considered by each individual case (1 respondent)**

Question 8

The Councils will re-calculate any relief that has been awarded if there's a change in the Rateable Value of the property or the ratepayer moves out of the property. Do you agree with these proposals?

	<u>Number</u>	<u>Percentage</u>
Yes	21	72.4%
No	8	27.6%

Question 9

Please use the space below to provide any additional comments or suggestions that would be helpful to the Councils in deciding the criteria for the local scheme for discretionary relief.

Five respondents provided additional comments which were:

- **Helping current and new small businesses is good news. I think there should be a maximum limit on value of the business property and preferably in town/high streets. No fast food businesses please.**
- **I believe that the rates should apply to a property rather than the tenant. The same rate relief should apply if the tenancy of the property changes. No company that occupies more than two properties nationally [*sic*] should be entitled to rate relief. This would ensure that the relief goes to small businesses. No rate relief should be available on a property that has been vacant for more than 6 months.**
- **If the space is occupied by a transient community of SME/lone workers who will always benefit from small business rates relief this should be considered. It is impractical with the growth of co-working spaces to apply for small business rates relief 3-4 times a year for the same space for no income, and additional admin.**
- **One cap doesn't fit all so should be awarded within the current [*sic*] flow of business according to different areas ,i.e. High street verses [*sic*] secondary etc**