**The Royal Borough of Kensington and Chelsea** 

**Qualifying Criteria for Local Discretionary Business Rate Relief for the Financial Year 2019-20**

1. The Local Discretionary Business Rate Relief Scheme applies for the year 1 April 2019 to 31 March 2020 only. Under the scheme relief will only be provided where a qualifying ratepayer’s bill has increased due to the 2017 revaluation. The maximum amount of relief available will be £20,000 per property.

The assistance the Council is able to offer under the scheme will be limited to the funding provided which is anticipated to be around £563,000.

Where a qualifying ratepayer’s rates bills for 2019-20, 2018-19, 2017-18 and or 2016-17 are reduced for any of the following reasons, the amount of their relief will be reduced or removed accordingly:

* a reduction in rateable value in the 2010 and, or 2017 rating lists
* the provision of a certificated value for the 2010 rating list or historical change
* the application of any additional rate relief or exemption
* vacation and re-occupation of the property
* any other reason

Ratepayers who may benefit from the Scheme will be in occupation of a property with a rateable value of up to £200,000, will have been in occupation of that property prior to 1 April 2017 and will fall into one of the categories listed below:

* Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets)
* Charity shops
* Opticians
* Post offices
* Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
* Car/ caravan show rooms
* Second hand car lots
* Markets
* Petrol stations
* Garden centres
* Art galleries (where art is for sale/hire)
* Shoe repairs/ key cutting
* Travel agents
* Ticket offices e.g. for theatre
* Dry cleaners
* Launderettes
* PC/ TV/ domestic appliance repair
* Funeral directors
* Photo processing
* Tool hire
* Hair and beauty services
* Restaurants
* Takeaways
* Sandwich shops
* Coffee shops
* Pubs
* Bars
* Business Units
* Workshops
* Surgeries
1. **Please note that the following types of uses are not eligible for local discretionary business rate relief:**

**2.1) Properties that are being used for the provision of the following services to visiting members of the public:**

2.1.1) Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, betting shops, amusement arcades, pawn brokers).

2.1.2) Other services (e.g. estate agents, letting agents, employment agencies).

2.1.3) Professional Services (e.g. solicitors, accountants, insurance agents/financial advisers, tutors).

2.1.4) Post office sorting office.

1. **Further Exclusions - For properties where any of the following apply, the ratepayer will not be eligible for local discretionary business rate relief:**

3.1) Properties that are operated by the same organisation / business. This applies where the business runs four or more properties in the U.K or in the U.K and overseas.

3.2) Ratepayers in receipt of small business rate relief support which limits increases on small properties caused by the loss of small business rates relief to £600.

3.3) Ratepayers occupying properties after 1 April 2017 unless they were in occupation of those properties on 31 March 2017.

3.4) Properties which were not on the rating list at 1 April 2017. (Relief will not apply where properties are entered into the list retrospectively).

3.5) Properties which are unoccupied.

3.6) Large organisations such as Transport for London and the NHS.

 3.7) Where the award of relief would not comply with EU law on State Aid.

1. **How Local Discretionary Business Rate Relief is Calculated:**

4.1) Local discretionary business rate relief is calculated after any or all of the following have been applied:

* Exemptions and other Reliefs
* Transitional Relief or Premium

and before the application of the Business Rates Supplement. Local discretionary business rates relief does not apply to the supplement.

4.2) In accordance with the terms of the Government grant for local discretionary business rate relief, all ratepayers are subject to a 2.3 per cent inflationary increase on their bill to which the relief will not apply.

 4.3) The maximum percentages of local discretionary business rate relief available on the net 2019-20 rates bill after the reliefs and exemptions described above and before inflation and the business rates supplement are shown in tables 1 and 2.

**Table 1 - Small and Medium Properties with a Rateable Value of up to £50,999**

| **Percentage Increase in Rates Bill**  | **Maximum Relief Percentage** |
| --- | --- |
| 1.0% - 1.99% | 1% |
| 2.0% - 2.99% | 1.5% |
| 3.0% - 3.99% | 2.5% |
| 4.0% - 4.99% | 3.5% |
| 5.0% - 5.99% | 4.5% |
| 6.0% - 6.99% | 5.5% |
| 7.0% - 7.99% | 6.0% |
| 8.0% - 9.99% | 7.0% |
| 10.0% - 10.99% | 9.0% |
| 11.0% - 11.99% | 9.5% |
| 12.0% - 13.99% | 10.0% |
| 14.0% - 17.99% | 11.5% |
| 18.0% - 18.99% | 13.5% |
| 19.0% and over  | 15.5% |

**Table 2 – Medium Properties with a Rateable Value from £51,000 to £100,000 and Large Properties a Rateable Value from £101,000 to £200,000**

|  |  |
| --- | --- |
| **Percentage Increase in Rates Bill**  | **Maximum Relief Percentage** |
| 1.0% - 1.99% | 1% |
| 2.0% - 2.99% | 1.5% |
| 3.0% - 3.99% | 2.5% |
| 4.0% - 4.99% | 3.5% |
| 5.0% - 5.99% | 4.5% |
| 6.0% - 6.99% | 5.5% |
| 7.0% - 7.99% | 6.0% |
| 8.0% - 9.99% | 7.0% |
| 10.0% -10.99% | 9.0% |
| 11.0% -11.99% | 9.5% |
| 12.0% -14.99% | 10.5% |
| 15.0% - 17.99% | 13.0% |
| 18.0% - 18.99% | 13.5% |
| 19.0% and over | 15.5% |

**Table 3 – Workshops, Business Units and Surgeries with a Rateable Value of up to £85,000**

|  |  |
| --- | --- |
| **Percentage Increase in Rates Bill**  | **Maximum Relief Percentage** |
| 3.0% - 3.99% | 2.5% |
| 4.0% - 4.99% | 3.5% |
| 5.0% - 5.99% | 4.5% |
| 6.0% - 6.99% | 5.5% |
| 7.0% - 7.99% | 6.0% |
| 8.0% - 9.99% | 7.0% |
| 10.0% -10.99% | 9.0% |
| 11.0% -11.99% | 9.5% |
| 12.0% -14.99% | 10.5% |
| 15.0% - 17.99% | 13.0% |
| 18.0% - 18.99% | 13.5% |
| 19.0% and over | 15.5% |