

REVALUATION RATES RELIEF INFORMATION SHEET

29th November 2019

Local Councils under-allocate £7.44 Million of Free Government Funding.

This brings the total under-allocation in the first two years of this scheme to £27,447,385. (£27.4+ million)



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DISCRETIONARY REVALUATION (2017) BUSINESS RATES RELIEF

The Headlines:

- Local councils under-allocate £7.44 million of free government funding made available to local businesses in 2018 / 2019. This money has now been returned to Central Government.
- Combined with the 2017-2018 figures this brings the total under-allocation in the first two years of this scheme to £27,447,385. (£27.4+ million)
- 40 councils allocated less than 70% of the available free central government funding to their local businesses in 2018-2019 (*the second year of the scheme*)
- The majority of councils that under-allocated in 2017-2018 did not alter, correct or improve their schemes in 2018 / 2019 in order to allocate a higher percentage of the funding in the second year. Central government did not fund those council who attempted to “claw-back” the previous year’s underspend.

The Background:

- Many businesses suffered an increase in their business rates following the April 2017 property Revaluation.
- The government in the Budget on 8th March 2017 announced a variety of new reliefs to support businesses including the Discretionary Revaluation (2017) Rates Relief scheme (see Appendix A), which allocated £300 million to local councils to give away free to local businesses over a four year period. This

scheme was “front-loaded”. £175 million was made available in 2017/2018 and £85 million in 2018/ 2019.

- **1st April 2017** the new Valuation List became operational.
- **8th June 2017** local councils received confirmation of the exact funding available to each council from central government and started to develop local schemes to implement this new relief (see Appendix B). It was confirmed each council would receive £12,000 to administer the scheme from central government.
- **20th December 2017** BANKIER SLOAN publish their **Unofficial Report** examining some of the early schemes produced by local councils across England and highlighted the fact that many councils had created schemes that would not allow the total allocation of free funding to be spent. This report explained that many council incorrectly believed that central government had set ridged guidance dictating which businesses should receive the funding. (see Appendix C). The report was sent by e-mail to over 850 local councillors in England.
- **22nd December 2017**, just two days after the publication of the “Unofficial Report”, central government issue another letter to local authorities stressing the requirement that they implement the scheme in a way that will insure as much of the funding as possible is allocated to their local businesses (See Appendix D).
- **22nd February 2018** BetterRetailing / Retail Express highlighted the under-allocation of the funding well before the end of the financial year (see Appendix E).
- **18th May 2018** Better Retailing / Retail Express update the story on a national basis (see Appendix F)
- **October 2018**, after many months of research, the Daily Mail run a full page story (October 31st 2018), highlighting the very poor implementation of this scheme by many councils, and name the worst offending councils. The work undertaken by both BANKIER SLOAN and RETAIL EXPRESS was acknowledged in the article (Appendix H). The story highlights the fact that local councils under-allocated this free funding by £17.5 million in the 2017-2018 financial year.
- **31st October 2018** BANKIER SLOAN update their initial “Unofficial Report” (see Appendix H).
- **20th November 2019** central government publish data which confirms (via the NNDR3 figures) the continued under-allocation of funding to local business by some local authorities (see Appendix J).
- **29th November 2019** RETAIL EXPRESS / BetterRetailing, in conjunction with Chartered Surveyors BANKIER SLOAN, publish detailed analysing of each local authority’s allocation of funding to local businesses. This report includes information on the councils who allocated the lowest percentage of the free funds given to them by central government. This funding has now been returned to central government.

- **29th November BANKIER SLOAN and RETAIL EXPRESS / BetterRetailing publish on line a spreadsheet showing the allocation of all funds under this scheme by all local authorities in England. See www.centre-p.co.uk/Rates_Relief_Distribution.pdf**

Appendix A : (see 4.5) Published 8th March (Budget summary)

<https://www.gov.uk/government/publications/spring-budget-2017-documents/spring-budget-2017>

The following day, 9th March, central government published details of the new proposed relief, seeking comments and responses from local councils:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/598272/BRIL_2-2017_Budget_Measures.pdf

Appendix B : Allocation of funding to each local council:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/598270/Discretionary_pot.xlsx

Appendix C : Original “Unofficial Report “ with two pages added at the beginning :

http://www.centre-p.co.uk/Discretionary_Revaluation_2017_Business_Rates_Relief.pdf

Appendix D : Central government’s further guidance to local councils

[:https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/670600/BRIL_9_-_2017_-_Admin_-_19_Dec_cm.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/670600/BRIL_9_-_2017_-_Admin_-_19_Dec_cm.pdf)

Appendix E : BetterRetailing / Retail Express highlight the errors of this scheme on a national level

<https://www.betterretailing.com/legislation-competition/exclusive-small-businesses-cheated-out-of-38m-in-rates-relief-by-council-errors/>

Appendix F: BetterRetailing / Retail Express update on the implementation of the scheme

<https://www.betterretailing.com/legislation-competition/business-rates/exclusive-17-5m-up-for-grabs-due-to-unacceptable-business-rates-over-billing/>

Appendix G: Daily Mail / Money Mail article highlighting the poor implementation of this scheme by local councils

<https://www.thisismoney.co.uk/money/news/article-6335101/The-Chancellors-got-1-6bn-help-shops-councils-failed-make-use-helping-hand.html>

Appendix H : BANKIER SLOAN update their unofficial Report and redistribute to the original 850 local councillors http://www.centre-p.co.uk/Discretionary_Revaluation_2017_Business_Rates_Relief.pdf

Appendix J : Published 20th November 2019 by The Ministry of Housing, Communities and Local Government of showing NNDR3 forms received from all local authorities

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/847310/NNDR3_2018-19_LA_dropdown.xlsx

Appendix H BetterRetailing / Retail Express publish updated report on the scheme

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For further comment or information relating to this information sheet please e-mail , in the first instance , Ian Sloan at BANKIER SLOAN Chartered Surveyors reception@centre-p.co.uk or Jack Coutez at BetterRetailing / Retail Express jack.courtez@newtrade.co.uk