

Discretionary Business Rates Hardship Scheme

Lambeth Council's priorities for the allocation of the Hardship Scheme are designed to protect those businesses who are most affected by the increase in business rates. Our aim is to ensure those most in need receive the most help and provide targeted support for specific locations and business types which are particularly negatively affected and / or deemed as particularly key to the Council's Future Lambeth growth agenda (e.g. creative and digital industries and affordable workspace facilities).

The DBRH Scheme will apply for the year 1 April 2017 to 31 March 2018 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 the increase in business rates due to the revaluation less any reliefs and 2% inflation on the previous years bill.

The assistance the Council is able to offer under the scheme will be limited to a maximum of the funding provided by government which is £2.9 million in the first year.

Where a qualifying ratepayer's 2017/18 and / or 2016/17 rates bill is 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 and award of any additional rate relief or exemption
- vacation and re-occupation of the property
- any other reason

Priorities

Lambeth's Hardship Scheme priorities businesses for awards that fall into the following categories:

- Micro businesses with an increased RV through revaluation
- Small businesses with an increased RV through revaluation
- Businesses which contribute to the night time economy
 - Small Music Venues
 - Pubs, bars and restaurants
- Businesses who add social value and or social care in the borough
- Businesses who employ Lambeth Residents
- Businesses who pay the London Living Wage
- Businesses pushed above £100k* RV through revaluation and therefore only seeing their increase capped at 42% through transitional relief.
- Properties affected by Network Rail regeneration

* The council is mindful that a small business in Lambeth could have an RV in excess of £100k and would be affected by a far greater % increase in their business rates than businesses with an RV of less than £100k. Although the government would consider these businesses as large for the purposes of this scheme the council will use its knowledge of local businesses to define what constitutes a small business.

Exemptions

- Pubs with a rateable value of £70,000 or above that are not multi-nationals or large chains

Exclusions

The following businesses will be excluded from the scheme:

- Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, betting shops, amusement arcades, pawn brokers)
- Other services (e.g. estate agents, letting agents, employment agencies)
- Professional Services (e.g. solicitors, accountants, insurance agents/financial advisers, tutors)
- Post offices and sorting offices
- Large organisations such as Transport for London, NHS, LBL, Sainsbury's, Starbucks etc.
- 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 per annum.
- Properties which were not on the rating list at 1 April 2017. (Relief will not apply where properties are entered into the list retrospectively).
- Properties which are unoccupied.
- Properties where any arrears due from 2016/17 or earlier that are not under an arrangement
- Where the award of relief would not comply with EU law on State Aid
- Ratepayers in receipt of re-occupation relief in 2016/17 and / or 2017/18
- Businesses who are deemed to be able to afford their business rates increase

How DBRH scheme support is calculated

Hardship Scheme 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.

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

Decision making and review

The amount of support provided to any eligible business will be decided on need. This will involve the business concerned meeting the qualifying criteria and then having to demonstrate that they cannot easily meet their increased business rates bill. This will be established by a financial assessment based on information supplied by the business concerned which will demonstrate need.

Our scheme isn't intended to be burdensome, if you have any enquiries please call us on 020 8315 2255 or email businessrates@lambeth.gov.uk