



# Equality Analysis

## Birmingham City Council Analysis Report

<b>EA Name</b>	Non Domestic Rates Relief - Support For Businesses
<b>Directorate</b>	Economy
<b>Service Area</b>	Economy - Revenues And Benefits
<b>Type</b>	New/Proposed Policy
<b>EA Summary</b>	A new discretionary rates relief scheme is to be provided to allow local authorities to fund a local scheme that will assist ratepayers facing increased rates liabilities due to the rates revaluation in 2017. Relief will be given to ratepayers who are facing an increase of greater than 12.5% in their 2017/18 rates bill due to the revaluation. In addition there is an expectation on the government's behalf that relief should only be given to properties with a rateable value of less than £200,000.
<b>Reference Number</b>	EA002217
<b>Task Group Manager</b>	phil.doherty@birmingham.gov.uk
<b>Task Group Member</b>	
<b>Date Approved</b>	2017-08-31 00:00:00 +0100
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### Introduction

The report records the information that has been submitted for this equality analysis in the following format.

#### **Initial Assessment**

This section identifies the purpose of the Policy and which types of individual it affects. It also identifies which equality strands are affected by either a positive or negative differential impact.

#### **Relevant Protected Characteristics**

For each of the identified relevant protected characteristics there are three sections which will have been completed.

- Impact
- Consultation
- Additional Work

If the assessment has raised any issues to be addressed there will also be an action planning section.

The following pages record the answers to the assessment questions with optional comments included by the assessor to clarify or explain any of the answers given or relevant issues.

## 1 Activity Type

The activity has been identified as a New/Proposed Policy.

## 2 Initial Assessment

### 2.1 Purpose and Link to Strategic Themes

#### What is the purpose of this Policy and expected outcomes?

The discretionary scheme is to provide funding to local authorities to devise local schemes that will assist ratepayers facing increased rates liabilities due to the revaluation. Relief should be given to ratepayers who are facing an increase of greater than 12.5% in their 2017/18 rates bill due to the revaluation. In addition the consultation document stated that there was an expectation on the government's behalf that relief should only be given to properties with a rateable value of less than £200,000.

For each strategy, please decide whether it is going to be significantly aided by the Function.

Children: A Safe And Secure City In Which To Learn And Grow	Yes
Health: Helping People Become More Physically Active And Well	Yes
Housing : To Meet The Needs Of All Current And Future Citizens	Yes
Jobs And Skills: For An Enterprising, Innovative And Green City	Yes

### 2.2 Individuals affected by the policy

Will the policy have an impact on service users/stakeholders?	Yes
Will the policy have an impact on employees?	No
Will the policy have an impact on wider community?	Yes

### 2.3 Relevance Test

Protected Characteristics	Relevant	Full Assessment Required
Age	Not Relevant	No
Disability	Not Relevant	No
Gender	Not Relevant	No
Gender Reassignment	Not Relevant	No
Marriage Civil Partnership	Not Relevant	No
Pregnancy And Maternity	Not Relevant	No
Race	Not Relevant	No
Religion or Belief	Not Relevant	No
Sexual Orientation	Not Relevant	No

### 2.4 Analysis on Initial Assessment

A new rating list became effective from 1 April 2017 which meant that all rateable values were reassessed by the Valuation Office Agency and provided to billing authorities in advance of the 2017/18 demand notices being issued.

In certain instances the rateable values for business premises were increased meaning that the gross annual charges from 1 April 2017 would be higher when compared to those for the previous financial year. Some businesses saw their rateable values decrease in the new list and as a consequence there was a reduction in the amounts they were due to pay.

Revaluations are usually carried out every five years but the latest one, which was initially due on 1 April 2015, was delayed by central government until 2017. There is currently in place a transitional relief scheme which phases in any increase in rate bills due to this revaluation. The transitional relief scheme works by limiting the permitted increase from the previous year's gross rates. The level of permitted increase varies according to the rateable value of the assessment.

The limits are as follows:

Rateable Value Range	Permitted Increase
£20,000 and less	5% plus inflation (2%)
£20,001 to £100,000	12.5% plus inflation (2%)
Over £100,000	42% plus inflation (2%)

If the increase in a ratepayer's 2017/18 bill is above the permitted increase then they receive an amount of transitional relief to limit the increase to that permitted amount. If the increase is less than the permitted amount then no relief will be awarded. These transitional arrangements apply over the next five years, where applicable, or until the gross charge payable is actually reached at the start of a financial year.

The cost of the transitional arrangements is fiscally neutral, across England, as the total relief awarded is countered by the limits imposed on those who have seen their rates liabilities reduced.

Ahead of the budget there was lobbying by ratepayers, their representatives and MP's for the Chancellor to ease the burden on businesses facing higher rates demands. The Chancellor announced three new schemes for relief in the Spring Budget. There would be no new legislation but local authorities would be recompensed through the section 31 grant if the award met the government guidelines. These reliefs were:

- Supporting small businesses -
- Rate relief scheme for pubs
- New discretionary relief scheme

The supporting small businesses was a scheme for those ratepayers facing large increases in rate bills because of the loss of small business rate relief due to the change in their rateable value following the revaluation, while the pub relief scheme proposed a £1,000 relief for those with a rateable value of less than £100,000. The billing authority was waiting for the guidelines to be issued by DCLG before designing its schemes. These guidelines were delayed by the general election but were received on 20 June 2017.

It was not possible to introduce the schemes until the further guidelines were issued. This delay was in line with other local authorities.

Our software suppliers have been consulted and are working on a script to identify potential qualifying businesses for the above reliefs further clarification is expected later this week. The Revenues Service is consulting with other local authorities in respect of the administration of the relief for pubs whilst waiting for the software to be delivered.

The discretionary scheme is to provide funding to local authorities to devise local schemes that will assist ratepayers facing increased rates liabilities due to the revaluation. Relief should be given to ratepayers who are facing an increase of greater than 12.5% in their 2017/18 rates bill due to the revaluation. In addition the consultation document stated that there was an expectation on the government's behalf that relief should only be given to properties with a rateable value of less than £200,000.

It is a requirement of the scheme that local authorities consult with their major preceptors and members of their combined authorities, where appropriate on their policy for awards of this relief. This consultation is currently in progress and responses are expected by 21 July. The policy is set to go to Cabinet in September for approval.

### **3 Full Assessment**

The assessment questions below are completed for all characteristics identified for full assessment in the initial assessment phase.

#### **3.1 Concluding Statement on Full Assessment**

Non-Domestic Rates Reliefs announced in the Spring Budget  
Background

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Budget announcements - update

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A full assessment is not, therefore, required.

#### **4 Review Date**

18/01/18

#### **5 Action Plan**

There are no relevant issues, so no action plans are currently required.

