



# TRAFFORD COUNCIL

## **National Non-Domestic Rates Discretionary Rate Relief Policy**

Nicola Bishop ACA  
Chief Finance Officer

# **PART ONE**

## **GUIDELINES FOR RATE RELIEF TO CHARITABLE AND OTHER ORGANISATIONS**

- 1.0 The legislation for councils to grant discretionary rate relief to charities, certain not-for-profit or philanthropic bodies, community amateur sports clubs and certain properties within rural settlements is set out in Section 47 of the Local Government Finance Act 1988.
- 1.1 The granting of discretionary rate relief to charitable and other organisations in respect of National Non-Domestic Rate (NDR) and every application will be determined on its merits having regard to the following guidelines.
- 1.2 Applications will generally be refused where:-
  - a) A substantial portion of the organisation's income comes from bar receipts;
  - b) Membership of the organisation is restricted by the amount of the subscription or other limiting factors which preclude the whole of the public from having effective access to the organisation's activities;
  - c) 80% mandatory relief is already given except for Scout and Guide headquarters and Citizens Advice Bureaux;
  - d) A club is run for political purposes;
  - e) There would be duplication of financial assistance where grant aid of any other kind is being given by the local authority directly or under Section 48 of the Local Government Act 1985;
  - f) The applicant is a Housing Association.
- 1.3 Discretionary Relief to amateur sports clubs and other types of community organisations and societies will be set at a minimum rate of 20% for those who qualify.

## **PART TWO**

# **GUIDELINES FOR NEW BUILD EMPTY PROPERTY RELIEF AND REOCCUPATION RELIEF FOR RETAIL PREMISES**

2.0 Section 69 of the Localism Act 2011 amends Section 47 of the Local Government Finance Act to grant relief in any circumstances. The government have determined that the Council can use its discretionary powers under the Localism Act to grant new build empty property relief and reoccupation rate relief for retail premises. Applications will be considered from organisations that meet the criteria having regard to the following guidelines:

### **2.1 New Build Empty Property Relief**

The council can use its discretionary powers to exempt all newly built commercial property completed between 1 October 2013 and 30 September 2016 from empty property rates for the first 18 months, up to state aid limits. Determination and award of any exemption will be in accordance with the Department for Communities and Local Government, Business Rates New Build Empty Property Guidance (<https://www.gov.uk/government/publications/business-rates-new-build-empty-property>)

### **2.2 Reoccupation Relief for Retail Premises**

A temporary 50% occupied rate relief will be granted for new occupants of retail premises that have been empty for a year or more at the point of occupation. The duration of the relief is 18 months. The relief is available to businesses that move into empty property on or after 1 April 2014 and on or before 31 March 2016.

# **PART THREE**

## **GUIDELINES FOR DISCRETIONARY RATE RELIEF IN RESPECT OF SUPPORTING SMALL BUSINESSES, PUBS, LOCAL NEWSPAPERS AND 2017 REVALUATION SUPPORT**

3.0 Section 47 of the Local Government Finance Act 1988 (as amended) allows the Council to use its discretionary powers to grant discretionary rate relief in respect of supporting small businesses, pubs, local newspapers and 2017 revaluation support. Applications will be considered from organisations that meet the criteria having regard to the following guidelines:

### **3.1 Supporting Small Businesses**

3.1.1 The Supporting Small Businesses relief will help those ratepayers who as a result of the change in their rateable value at the revaluation are losing some or all of their small business or rural rate relief and, as a result, are facing large increases in their bills.

3.1.2 To support these ratepayers, the Supporting Small Businesses relief will ensure that the increase per year in the bills of these ratepayers is limited to the greater of:

a) a percentage increase p.a. of 5%, 7.5%, 10%, 15% and 15% 2017/18 to 2021/22 all plus inflation after small business rate relief or rural rate relief has been applied, or

b) a cash value of £600 per year (£50 per month).

3.1.3 In the first year of the scheme, this means all ratepayers losing some or all of their small business rate relief or rural rate relief will see the increase in their bill capped at £600. The cash minimum increase is £600 per year thereafter. This means that ratepayers who are currently paying nothing under small business rate relief and are losing all of their entitlement to relief (i.e. moving from £6,000 rateable value or less to more than £15,000) would under this scheme be paying £3,000 in year 5.

3.1.4 Those on the Supporting Small Businesses relief scheme whose 2017 rateable values are £51,000 or more will not be liable to pay the supplement (1.3p) to fund small business rate relief while they are eligible for the Supporting Small Businesses relief scheme.

3.1.5 Ratepayers remain in the Supporting Small Businesses relief scheme for either 5 years or until they reach the bill they would have paid without the

scheme. A change of ratepayers will not affect eligibility for the Supporting Small Businesses relief scheme but eligibility will be lost if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club.

- 3.1.6 There is no 2nd property test for eligibility for the Supporting Small Businesses relief scheme. However, those ratepayers who during 2016/17 lost entitlement to small business rate relief because they failed the 2nd property test but have, under the rules for small business rate relief, been given a 12 month period of grace before their relief ended can continue on the scheme for the remainder of their 12 month period of grace.
- 3.1.7 The calculation of Supporting Small Businesses relief will be in line with Department for Communities and Local Government guidance at section 2 which can be found at:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/620750/BRIL\\_4-2017\\_Spring\\_Budget\\_update.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/620750/BRIL_4-2017_Spring_Budget_update.pdf)

## **3.2 Business Rate relief Scheme for Pubs**

- 3.2.1 The scheme will be available to eligible occupied properties with a rateable value of less than £100,000. The majority of pubs are independently owned or managed and will not be part of chains. Where pubs are part of a chain, relief will be available for each eligible property in the chain, subject to meeting State Aid requirements.
- 3.2.2 There is no definitive description of a traditional pub or public house in law which can be readily used by local authorities to determine eligibility. In line with the Government's policy intentions, eligible pubs should:
- a) be open to the general public
  - b) allow free entry other than when occasional entertainment is provided
  - c) allow drinking without requiring food to be consumed
  - d) permit drinks to be purchased at a bar.

For these purposes, it should exclude:

- a) restaurants
- b) cafes
- c) nightclubs
- d) hotels
- e) snack bars
- f) guesthouses
- g) boarding houses
- h) sporting venues
- i) music venues

- j) festival sites
- k) theatres
- l) museums
- m) exhibition halls
- n) cinemas
- o) concert halls
- p) casinos

3.2.3 The exclusions in the list above are not exhaustive and each individual case will be considered on its own merits.

3.2.4 The total amount of relief available for 2017/18 under this scheme is up to £1,000 for each eligible property. There is no relief available under this scheme for properties with a rateable value of £100,000 or more.

3.2.5 If the pub relief is extended beyond 2017/18 the Council will award in line with the extended scheme.

### **3.3 Local Newspapers**

3.3.1 The Chancellor announced at the Budget that the Government will introduce a £1,500 business rates discount for office space occupied by local newspapers, up to a maximum of one discount per local newspaper title and per hereditament, and up to state aid limits, for 2 years from 1 April 2017. The guidance for business rates relief for local newspapers can be found at the following link: [The case for a business rates relief for local newspapers - GOV.UK](#)

### **3.4 Discretionary Rate Relief 2017 Revaluation Support**

3.4.1 The scheme introduced from April 2017 is designed to help those most affected by an increase in rating valuations as a result of the 2017 revaluation. To qualify for the relief the following criteria must be met:

- a) The rateable property has a rateable value for 2017-18 that is less than £200,000;
- b) The rateable value has increased by more than 12.5%;
- c) The ratepayer must have been in occupation continually since pre 1 April 2017
- d) After all other reliefs have been applied, the increase in the billing amount is more than 12.5% in 2017-18;
- e) The ratepayer must have employees based in the hereditament on which relief is being sought;

- f) Ratepayers operating an intermittent occupation tax mitigation/avoidance scheme will not be eligible for any relief;
- g) Ratepayers with an outstanding appeal will not be eligible for any relief (as the Council will be unable to determine the financial impact on the business until the appeal is concluded) – any backdated requests once the appeal has been settled will be limited to the financial year in which the application is received due to the way in which the government is funding the scheme;
- h) National companies, national charities and public bodies will not be eligible for any relief;
- i) Multiple property owners and/or occupiers will not be eligible for any relief; and
- j) Hereditaments wholly or mainly being used as betting shops, payday loan shops, pawnbrokers or shisha bars will not be eligible for relief.
- k) A discretionary award must only be applied after all other reliefs have been applied and cannot exceed the maximum liability due.
- l) Refunds will not automatically be issued - any credits due resulting from a relief being applied will be credited to future years accounts unless a request is received.

### **3.4.2 How much will the entitlement be**

#### **➤ In Year One (2017/18)**

- A maximum of £3k for eligible businesses
- For schools (non-Council maintained) and private day nurseries, award the full difference between the 2016/17 and 2017/18 charge even where that exceeds £3k
- Remove the £600 per year cap (as described in 3.1.3 above), therefore eligibility for small businesses subject to a <£600 increase

#### **➤ In Year Two (2018/19)**

- A maximum of £1.5k for eligible businesses

- For schools (non-Council maintained) and private day nurseries, award the full difference between the 2016/17 and 2017/18 charge even where that exceeds £1.5k

- Remove the £600 per year small businesses cap

➤ **In Year Three (2019/20)**

- A maximum of £750 for eligible businesses as defined in 3.4.1
- Businesses including Schools and Private Day Care Nurseries, who will benefit from the small business rate relief cap will not be eligible;
- Businesses including Schools and Private Day Nurseries, whose increase in the amount in what they are paying compared to last year is less than £600 per year will not be eligible
- If the Pub relief amount as detailed in 3.2.4 is extended then those with a rateable value of less than 100k will not be eligible as they will get the £1k

➤ **In Year Four (2020/21)**

- Subject to the qualifying criteria being met as defined in 3.4.1, an individual business can apply for a maximum relief of £500 per year in writing clearly stating why they remain adversely affected by the 2017 revaluation. Each case will be considered on its own merits in line with the Council's discretionary rate relief policy.
- Businesses who will benefit from the small business rate relief cap of paying no more than £600 per year when compared to last year will not be eligible
- Businesses whose increase in the amount in what they are paying compared to last year is less than £600 per month will not be eligible (to mirror the maximum protection for small businesses as above)
- If the Pub relief amount as detailed in 3.2.4 is extended then those with a rateable value of less than 100k will not be eligible as they will get the £1k

## **4.0 Awarding Reliefs**

### **4.1 Eligibility for all part three reliefs:**

- Will be assessed and calculated on a daily basis

- The amount awarded should be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or the hereditament. This change of circumstances could arise during the year in question or during a later year.
- It is the ratepayer's responsibility to inform the Council promptly of any changes that could affect their entitlement to a relief that has been awarded

## **5.0 Right of Appeal.**

- 5.1 In all cases where an organisation disagrees with the Council's decision, an appeal may be made in writing to the Chief Finance Officer within one calendar month from the date of the decision notice.

The Council is committed to the fight against fraud in all its forms and has a zero tolerance fraud policy. A business who tries to fraudulently claim a discretionary rate relief by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed a criminal offence. Where fraud is suspected, the Council will investigate and this may lead to criminal proceedings.