

Medway Council Policy for the granting of Discretionary Non-Domestic Rate Relief

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1.0 Purpose of the policy

- 1.1 The purpose of this policy is to determine the level of discretionary relief and related areas to be granted to certain defined ratepayers within the Medway Council area.
- 1.2 The Local Government Finance Act 1988 and subsequent legislation requires the Council to grant mandatory relief for premises occupied by Charities and similar organisations that own or occupy them wholly or mainly for charitable purposes. Powers have also been granted under the Localism Act 2011, which allow for the granting of discretionary rate relief to any premises where the Council feels the granting of such relief would be of benefit to the local community.
- 1.3 Whilst the Council is obliged to grant relief to premises, which fall within the mandatory category, the Council also has powers to grant discretionary relief and reductions to ratepayers subject to certain criteria being met. In the case of new reliefs, guidance has been issued by Central Government outlining actions expected to be taken by local authorities.
- 1.4 This document outlines the following areas:
 - Details of the criteria for receiving discretionary reliefs for all relevant areas;
 - The Council's policy for granting of all types of discretionary reliefs;
 - Guidance on granting and administering the reliefs and reductions;
 - Subsidy control requirements.
- 1.5 This document covers all aspects of discretionary rate relief (subject to changes in legislation). Where organisations apply for relief they will be granted (or not granted) relief or reductions in line with the following policy.
- 1.6 The policy for granting relief will be reviewed periodically to ensure it remains effective and relevant and reflects any significant change to the legislation or funding rules.

2.0 Mandatory Relief - legislative background

Charity Relief

- 2.1 The powers relating to the granting of mandatory¹ and discretionary relief are given to the Council under the Local Government Finance Act 1988². Charities and Trustees for Charities are only liable to pay one fifth of the Non-Domestic Rates that would otherwise be payable where property is occupied and used wholly or mainly for charitable purposes.
- 2.2 This amounts to mandatory relief of 80%. For the purposes of the Act a charity is an organisation or trust established for charitable purposes, whether or not it is registered with the Charity Commission. The provision was extended under the Local Government Act 2003 (effective from 1st April 2004) to registered Community Amateur Sports Clubs (CASCs).
- 2.3 The Council has discretion to grant relief of up to a further 20% for these cases under the discretionary provisions.
- 2.4 With effect from 1 April 2025, the Government intends to bring forward primary legislation to amend the Local Government Finance Act 1988 to end eligibility to mandatory relief for private schools³.

¹ S43 & S45 Local Government Finance Act 1988

² S47 & S48 Local Government Finance Act 1988

³ Non-Domestic Rating (Multipliers and Private Schools) Bill

3.0 Discretionary Relief – legislative background

Introduction

- 3.1 Section 47 of the Local Government Act 1988 was originally designed to provide assistance where a property does not qualify for mandatory relief, or to 'top up' cases where ratepayers already receive mandatory relief.
- 3.2 Over recent years and particularly since 2011, the discretionary relief provisions have been amended to allow authorities the flexibility to provide assistance to businesses and organisations.
- 3.3 The range of bodies, which are eligible for discretionary rate relief, is wide and not all of the criteria laid down by the legislation will be applicable in each case.
- 3.4 Unlike mandatory relief, ratepayers are, in some circumstances, obliged to make a written application to the Council.
- 3.5 The Council is obliged to consider carefully every application on its merits, taking into account the contribution that the organisation makes to the amenities of the Council's area. There is no statutory appeal process against any decision made by the Council although, as with any decision of a public authority, decisions can be reviewed by Judicial Review.
- 3.6 Granting of the relief falls broadly into the following categories:
 - a. Discretionary Relief – charities who already receive mandatory relief.
 - b. Discretionary Relief – premises occupied by organisations not established or conducted for profit whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts or premises occupied by organisations not established or conducted for profit and wholly or mainly used for purposes recreation;
 - c. Discretionary Relief – granted under the Localism Act 2011 provisions;
 - d. Supporting Small Businesses Relief (from 1st April 2017, originally for five years but now extended to 31 March 2026 (calculated in accordance with the Non- Domestic Rating (Chargeable Amounts) (England) Regulations 2016));
 - e. Retail, Hospitality and Leisure Relief 2025/26
 - f. S44a Part Occupied Premises Relief; and
 - g. S49 Hardship Relief.
- 3.7 The decision to grant or not to grant relief is a matter purely for the Council.

The Council's approach to granting Discretionary Relief

- 3.8 In deciding which organisations should receive discretionary Rate relief, the Council has taken into account the following factors and priorities:
- a. The policy should support business, charities, organisations and groups that help to retain services in Medway Council's area and not compete directly with existing businesses in an unfair manner;
 - b. The policy should help and encourage business, charities, organisations, groups and communities to become self-reliant;
 - c. Awarding discretionary relief should not distort competition or significantly change the provision of services within Medway;
 - d. Every business/ organisation should contribute something towards the provision of local services;
 - e. The Council will consider whether the applicant organisation is receiving any form of financial assistance from the Council, other organisations, private companies or commercial suppliers and review annual turnover, value of assets or unallocated reserves. Where an organisation has unallocated reserves greater in value than 12 months running costs, the organisation will be required to demonstrate the reasons for holding those reserves
 - f. Local organisations will be given priority over national organisations. The organisation will need to supply the Council with clear evidence of the amounts of monies raised and used or invested locally within Medway. This will be particularly important where the organisation is national in nature.
 - g. The policy will support appropriate organisations that deliver outcomes to the community which relate to the priorities of the Council. In particular, how the work of the organisation furthers the work of the Council to provide tangible benefits to the community;
 - h. The Council will not normally provide relief where it already provides core funding or receives services under a contract arrangement; and
 - i. The financial impact of awarding discretionary business rate relief must be justified in terms of the local outcomes achieved by the organisation receiving it and in respect of the cost to local taxpayers.
- 3.9 Discretionary relief shall not be granted to any organisation that has a political affiliation.
- 3.10 Where any reduction or remission is granted to a ratepayer under S49 Local Government Finance Act 1988 where hardship is proven to the Council, there will be no requirement to grant Discretionary Rate Relief for any remaining amount.

4.0 Effect on the Council's finances

- 4.1 The granting of discretionary relief will, in the main, involve a cost to the Council.
- 4.2 Any amounts granted prior to 1st April 2013 and continuing since that date will be included in the Council's baseline within the Business Rates Retention Scheme. For any amounts granted for similar cases after 1st April 2013, the costs of the relief will be borne in accordance with the Business Rates Retention Scheme share namely 50% borne by Central Government, 49% by the Council and 1% by Kent Fire and Rescue Service. This also applies where mandatory relief is granted.
- 4.3 Where Central Government leads an initiative, grants are often available through section 31 of the Local Government Act 2003. This is not automatic and Central Government will look to the Council to adopt the recommended approach when granting in these areas
- 4.4 The financial effects of discretionary reliefs covered by this policy are as follows:

| Appendix | Relief type | Granted after 1 st April 2013 |
|----------|--|--|
| | Charity Relief | |
| A | Discretionary relief granted to Mandatory Relief recipients and non-profit making organisations including sports clubs and societies | 49% borne by the Council |
| | Localism | |
| B | Discretionary relief granted to ratepayers generally and not covered by any other section | 49% borne by the Council |
| | Supporting Small Business Relief | |
| C | Funded discretionary relief from 1 April 2023 for up to three years (subject to Government guidance) | Section 31 grant |
| | Retail, Hospitality and Leisure Relief | |
| D | Funded discretionary relief for 2025/26 (subject to Government guidance) | Section 31 grant |
| | S44a Part Occupied Relief | |
| E | Discretionary relief where premises are part occupied for a short term | 49% borne by the Council |
| F | S49 Hardship Relief | |
| | Discretionary relief where the ratepayer is suffering hardship | 49% borne by the Council |

5.0 Discretionary Relief – subsidy control

- 5.1 Any of the above schemes funded by the Government via section 31 Local Government Act 2003 are likely to amount to subsidy and any relief provided will need to comply with the [UK's domestic and international subsidy control obligations](#).
- 5.2 Rate relief for charities and non-profit making bodies is not generally considered to be subsidy because the recipients are not in market competition with other businesses. However, where other bodies receive relief and are engaged in commercial activities, or if they are displacing an economic operator, or if they have a commercial partner, rate relief could constitute subsidy.
- 5.3 To the extent that the council is seeking to provide relief that falls below the Minimal Financial Assistance (MFA) thresholds, the Subsidy Control Act allows an economic actor (e.g. a holding company and its subsidiaries) to receive up to £315,000 in a three-year period (consisting of the 2024/25 year and the two previous financial years).
- 5.4 MFA subsidies cumulate with each other and with other subsidies that fall within the category of 'Minimal or SPEI financial assistance'. Any subsidies claimed under the Small Amounts of Financial Assistance limit of the Trade and Cooperation Agreement should be counted towards the £315,000 allowance.
- 5.5 In those cases where it is clear to the council that the ratepayer is likely to breach the cash cap or the MFA limit then it will automatically withhold the relief.
- 5.6 Where the council includes the relief in bills, ratepayers will be required, on a self-assessment basis, to inform the authority if they are in breach of the cash caps or MFA limit.

6.0 Administration of Discretionary Relief

6.1 The following section outlines the procedures followed by officers in granting, amending or cancelling discretionary relief and reduction. This is essentially laid down by legislation⁴.

Applications and evidence

6.2 All reliefs must be applied for in writing by the ratepayer. Application forms are produced within the Council and issued to all ratepayers requesting the relief. The relevant application forms for all reliefs and reductions are available on www.medway.gov.uk or by emailing rates@medway.gov.uk.

6.3 Organisations are required to provide a completed application form plus any such evidence, documents, accounts, financial statements etc. necessary to allow the Council to make a decision. Where insufficient information is provided, then no relief will be granted. Two years' audited accounts will usually be required to support any application.

6.4 Applications should initially be made to the Council Tax and Business Rates Service and will be determined in accordance with Section 7 of this policy.

Granting of relief

6.5 In all cases, the Council will notify the ratepayer of decisions made.

6.6 Where an application is successful, then the following will be notified to them:

- The amount of relief granted and the date from which it has been granted;
- If relief has been granted for a specified period, the date on which it will end. (It should be noted that reliefs are granted for the period specified in the appropriate appendix and may vary from a day to a full financial year);
- The new chargeable amount;
- The details of any planned review dates and the notice that will be given in advance of a change to the level of relief granted; and
- A requirement that the applicant should notify the Council of any change in circumstances that may affect entitlement to relief.

6.7 Where relief is not granted then the following information is provided, again in writing:

- An explanation of the decision within the context of the Council's statutory duty; and
- An explanation of the appeal rights (see below).

6.8 Discretionary relief is to be granted from the date of qualification subject to the following. Prior to April 2023, decisions could be made up to 6 months after the end of the financial year for which the application was made. With effect from 1 April 2023 this restriction was removed⁵ and the Council decided to restrict the backdating of discretionary relief to a maximum of 12 months from the date an application is received (not from the date of decision), with the exception of those reliefs reimbursed to the council through a Section 31 grant which will be unrestricted (the change in regulations took effect from 1 April 2023 so no relief can be awarded prior to this date).

⁴ The Non-Domestic Rating (Discretionary Relief) Regulations 1989

⁵ Section 4 of the Non-Domestic Rating Act 2023

Variation of a decision

6.9 Variations in any decision will be notified to ratepayers as soon as practicable and will take effect as follows:

- Where the amount is to be increased by the Council, from the date to be decided by the Council;
- Where the amount is to be reduced due to a reduction in the rate charge from the date of the decrease in rate charge; and
- Where the amount is to be reduced for any other reason takes effect at the expiry of a financial year, and so that at least one year's notice is given

7.0 Scheme of delegation

Granting, varying and revoking relief

- 7.1 All powers in relation to reliefs are given under the Local Government Finance Act 1988, the Local Government and Rating Act 1997, the Local Government Act 2003 and the Localism Act 2011. However, section 223 of the Local Government Act 1992 allows for delegation of decisions by the Council to Cabinet, Committees, Sub-Committees or Officers.
- 7.2 The Council's scheme of delegation allows for the Head of Council Tax and Business Rates to award, revise or revoke any discretionary relief applications. However, any application which is considered to be of a significant nature, will be subject to consultation with the Chief Finance Officer prior to final determination.
- 7.3 Applications that are refused will, on request, be reconsidered if additional supporting information is provided or the refusal is subsequently considered to be based on a misinterpretation of the application.

Reviews

- 7.4 There is no legal right of appeal against the Council's use of discretionary powers other than via judicial review. However, the Council will accept a request from the applicant for an informal review.
- 7.5 Any request must be made in writing within 28 days of the decision stating the reasons for requesting the review and providing any additional information to support the application.
- 7.6 Where the Council receives such a request from the ratepayer regarding the non-granting, or the amount of any discretionary relief awarded, the case will be reviewed by the Council's Section 151 Officer.
- 7.7 A written response to the appeal will be sent to the ratepayer within 28 days of the receiving the request, or as soon as practicable. The decision of the Section 151 Officer is final.

8.0 Reporting changes in circumstances

- 8.1 Where any award is granted to a ratepayer, the Council will require any changes in circumstances which may affect the relief to be reported as soon as possible, and in any event, not more than 21 days from the happening of the event. This will be important where the change would result in the amount of the award being reduced or cancelled e.g. where the premises comes unoccupied or is used for a purpose other than that determined by the Council as eligible for relief.
- 8.2 Where a change of circumstances is reported, the relief will, if appropriate be revised or cancelled. Where any award is to be reduced, the Council will look to recover the amount from the date the change of circumstances occurred.

9.0 Fraud

- 9.1 Where a ratepayer falsely applies for any relief, or where the ratepayer provides false information, makes false representation, or deliberately withholds information in order to gain relief, prosecutions will be considered under the Fraud Act 2006.

Appendix A

Discretionary Relief – charities, Community Amateur Sports Clubs (CASCs) and non-profit making organisations

General explanation

- A.1 Charitable organisations and CASCs⁶ entitled to 80% mandatory relief may also receive a further 20% “top-up” award at the Council’s discretion.
- A.2 Non-profit making organisations whose main objectives are charitable, otherwise philanthropic, religious, concerned with education, social welfare, science, literature, the fine arts, or whose premises are used wholly or mainly for recreation may receive up to 100% rate relief at the Council’s discretion.

Guidelines for calculating the amount of relief

- A.3 Although each individual application must be considered on its own merit, all will be considered against the following general principles:
- Irrespective of the type of organisation liable for the payment of non-domestic rates, all charity shops (including galleries) and charity cafes will receive 80% mandatory relief only;
 - Where bars are in operation, bar profits should be taken into account. A minimum bar profit of 30% on turnover should be used to ensure that any discretionary relief granted does not subsidise the bar;
 - For sports clubs, sailing and yacht clubs, relief should only be considered if more than 50% of the “sports” membership lives in the Council’s area. Social members should not be included;
 - Membership fees and other charges should be reasonable;
 - There should be reasonable evidence of financial need and that reasonable efforts have been made to raise funds;
 - There must be a positive benefit for the community of Medway;
 - Membership of social activity organisations should generally be open to all relevant sections of the community.
- A.4 Subject to A.3 above, all applications will have a guideline amount established from the following table outlining the organisation’s purpose:

⁶ Registered with HMRC as a CASC

| Item No | Organisation purpose | Principle | Registered Charity | | | Non-profit | Description |
|---------|--|------------------------------|---------------------|-----------------|----------------|------------------------------|---|
| | | | Mand-atory relief % | Top up relief % | Total relief % | Discret-ionary only relief % | |
| 1 | Voluntary Sector / charity support service | Supporting vulnerable people | 80 | 20 | 100 | 100 | Organisations who provide support and opportunities to the voluntary sector / and or guidance to charities & not for profit organisations |
| 2 | Supporting children | Supporting vulnerable people | 80 | 20 | 100 | 100 | The organisation's focus is aimed exclusively at children from all sections of the community |
| 3 | Supporting the disabled | Supporting vulnerable people | 80 | 20 | 100 | 100 | Predominantly providing support to help people with a disability and or providing fitness improvement/sport /water sport facilities exclusively to people who are disabled |
| 4 | Education for children (special educational needs) | Supporting vulnerable people | 80 | 20 | 100 | 100 | Education solely for children with special educational needs and disabilities (SEND) or unable to attend mainstream school/providing nursery care exclusively for children with special educational needs |
| 5 | Elderly care / support | Supporting vulnerable people | 80 | 20 | 100 | 100 | Providing care and support services exclusively for elderly people from all sections of the community |
| 6 | Training, adult education, employment support | Supporting vulnerable people | 80 | 20 | 100 | 100 | To train, educate or otherwise support adults to help them gain employment and become self sufficient |
| 7 | Health care | Supporting vulnerable people | 80 | 20 | 100 | 100 | Health care for all sections of the community |
| 8 | Homeless and vulnerable adult support | Supporting vulnerable people | 80 | 20 | 100 | 100 | Helping homeless people based in Medway to find a home and/or manage in the meantime through foodbank provision and safeguarding of vulnerable adults |
| 9 | Rehabilitation for offenders/ crime prevention | Supporting vulnerable people | 80 | 20 | 100 | 100 | Charity/organisation helping to rehabilitate ex-offenders and reduce re-offending |
| 10 | Social Care support for those with a disability | Supporting vulnerable people | 80 | 20 | 100 | 100 | Providing a range of social care support exclusively to children or adults with a disability in need or at risk arising from illness, old age or poverty |
| 11 | Youth activities | Supporting vulnerable people | 80 | 20 | 100 | 100 | Youth activities (up to and including age 17) available to all sections of the community/ youth activities (young people up to and including age 25) for |

| Item No | Organisation purpose | Principle | Registered Charity | | | Non-profit | Description |
|---------|--|------------------------------|--------------------|-----------------|----------------|-----------------------------|--|
| | | | Mandatory relief % | Top up relief % | Total relief % | Discretionary only relief % | |
| | | | | | | | those who are disabled |
| 12 | Social care support to the general population | Supporting vulnerable people | 80 | 20 | 100 | 100 | Providing social care support or help to the general population to children or adults in need or at risk arising from illness, old age or poverty |
| 13 | Financial advice or financial aid | Supporting vulnerable people | 80 | 20 | 100 | 100 | |
| 14 | Animal welfare, wildlife | Animal welfare | 80 | 0 | 80 | 70 | Protecting, saving, rescuing, or healing animals which would otherwise suffer |
| 15 | Arts and entertainment | Lifestyle | 80 | 0 | 80 | 50 | Providing and/or providing support for the arts |
| 16 | Fitness improvement/ sport/water sport/social facilities | Lifestyle | 80 | 0 | 80 | 50 | Organisations who make sports and fitness available to all sections of the community and provide social facilities to members and non-members. For those that do not provide any form of social facility hardship relief considered on merit |
| 17 | Nursery mainstream | Lifestyle | 80 | 0 | 80 | 50 | Nursery serving all sections of the community |
| 18 | Religious | Lifestyle | 80 | 0 | 80 | 50 | Religious purposes |
| 19 | Education for children | Lifestyle | 0 | 0 | 0 | 0 | Mainstream education for children in fee paying school (prior to 1 April 2025 private schools registered as charities were entitled to either 80% mandatory relief if registered as charities, or otherwise 50% discretionary relief) |
| 20 | Heritage - protecting | Heritage | 80 | 0 | 80 | 0 | Protecting heritage |
| 21 | Regeneration | Heritage | 80 | 0 | 80 | 0 | Organisations supporting regeneration activities |

A.5 The table below outlines the five principles used in designing the guidelines and the level of discretionary relief that would be applicable for each principle.

| Principle | Charities or Community Amateur Sports Clubs | | | Non-profit organisations |
|--|---|---------------------------------|------------------|--------------------------|
| | Mandatory relief (%) | Top up discretionary relief (%) | Total relief (%) | Discretionary relief (%) |
| The focus of the discretionary business rates relief should be for organisations seeking to improve the quality of life for children, the elderly, disabled or otherwise vulnerable members of society | 80 | 20 | 100 | 100 |
| Organisations supporting animal welfare or conservation should receive less priority when awarding discretionary rate relief | 80 | 0 | 80 | 70 |
| Organisations supporting lifestyle choices (arts, entertainment, leisure etc.) should receive less priority when awarding discretionary rate relief | 80 | 0 | 80 | 50 |
| Organisations supporting heritage and regeneration should not receive any discretionary rate relief | 80 | 0 | 80 | 0 |
| Charity shops and cafes run by charities should not receive any top up discretionary relief as they have alternative means of raising funds and are competing with other businesses | 80 | 0 | 80 | N/A |

Appendix B

Supporting Small Business Relief

Background

- B.1 At the 2022 Autumn Statement the Chancellor announced that the 2023 Supporting Small Business (SSB) scheme will cap bill increases at £600 per year for any business losing eligibility for some or all Small Business Rate Relief or Rural Rate Relief at the 2023 revaluation.
- B.2 SSB was first introduced at the 2017 revaluation to support ratepayers facing bill increases greater than the Transitional Relief caps due to loss of Small Business Rate Relief or Rural Rate Relief.
- B.3 For 2023/24 to 2025/26, the government will, in line with the eligibility criteria set out in this guidance, reimburse local authorities that use their discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended), to grant 2023 Supporting Small Business relief.
- B.4 The council is required to adopt a local scheme and determine in each individual case when, having regard to Government guidance, to grant relief under section 47.
- B.5 Government will reimburse the council for the actual cost to them under the rates retention scheme of the 2023 Supporting Small Business relief that falls within the definitions in the guidance.
- B.6 The policy was approved by the Chief Operating Officer under delegated powers on 13 February 2024.

Properties eligible for the relief

- B.7 2023 SSBR 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, Rural Rate Relief or 2017 SSBR and, as a result, are facing large increases in their bills. Charities and Community Amateur Sports Clubs, who are already entitled to mandatory 80% relief, are not eligible for 2023 SSBR.
- B.8 To support these ratepayers, 2023 SSBR will ensure that the increase in the bills of these ratepayers is limited to a cash value of £600 per year. This cash maximum increase ensures that ratepayers do not face large bill increases in 2023/24 after transitional relief and small business rate relief (as applicable) have been applied. In order to simplify the scheme, the 2023 SSBR will not include minimum percentage bill increases (unlike the 2017 scheme).
- B.9 Those on 2023 SSBR whose 2023 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 2023 SSBR.
- B.10 The 2017 SSBR scheme was provided to support small and medium ratepayers who had seen large increases in their bills at the 2017 revaluation. They have, therefore, had 6 years of support to allow them to adjust to their full 2017 bills. Therefore, for those ratepayers receiving 2017 SSB relief in 2022/23, any

eligibility for 2023 SSBR will end on 31 March 2024. All other eligible ratepayers remain in 2023 SSBR for either 3 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 Business scheme but eligibility will be lost if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club.

- B.11 There is no second property test for eligibility for the 2023 SSBR scheme. However, those ratepayers who during 2022/23 lost entitlement to Small Business Rate Relief (because they failed the second 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 2023 SSBR scheme for the remainder of their 12 month period of grace.
- B.12 Properties eligible for charity or Community Amateur Sports Club relief or properties which are unoccupied are not eligible for 2023 SSBR. And, for the avoidance of doubt, small business rate relief or rural rate relief will not be applied to further reduce the bill found under 2023 SSBR (to avoid the double counting of relief). For example:
- a ratepayer eligible for Small Business Rate Relief whose rateable value has increased from £3,000 (paying £0 in 2022/23) to £14,000 would be paying the following in 2023/24 before 2023 SSBR:

| | |
|--|--------|
| Bill before reliefs: | £6,986 |
| Bill after transitional relief: | £1,572 |
| Bill after Small Business Rate Relief (@1/3) | £1,048 |
 - after 2023 SSBR the bill for 2023/24 would be reduced to £600. No further Small Business Rate Relief should be applied to the £600 bill
- B.13 The same principle applies to properties for which a Section 44A certificate has been granted (apportionment of rateable values for partly occupied properties). The presence of a section 44A certificate will not further reduce the bill found under 2023 SSBR.
- B.14 All other discretionary reliefs, including those funded by section 31 grants, should be considered after the application of 2023 SSBR.

Subsidy control

- B.15 The 2023 SSBR is likely to amount to a subsidy. Therefore, any relief provided by the council under this scheme will need to comply with the UK's domestic and international subsidy control obligations (for further details see <https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities/technical-guidance-on-the-uks-international-subsidy-control-commitments>). See the BEIS guidance for public authorities which contains guidance and information for the new UK subsidy control regime, which will commence on 4 January 2023.
- B.16 To the extent that the council is seeking to provide relief that falls below the Minimal Financial Assistance (MFA) thresholds, the Subsidy Control Act allows an economic actor (e.g. a holding company and its subsidiaries) to receive up to £315,000 in a three-year period (consisting of the 2023/24 year and the two previous financial years). MFA subsidies cumulate with each other and with other subsidies that fall within

the category of 'Minimal or SPEI financial assistance'. BEIS COVID-19 business grants and any other subsidies claimed under the Small Amounts of Financial Assistance limit of the Trade and Cooperation Agreement should be counted under the £315,000 allowance.

- B.17 In those cases where it is clear to the council that the ratepayer is likely to breach the MFA limit then it will automatically withhold the relief. Where the council includes the relief in bills, ratepayers will be required, on a self-assessment basis, to inform the authority if they are in breach of the MFA limit.

Recalculation of reliefs

- B.18 As with other reliefs, the amount of SSBR 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 to the property. This change of circumstances could arise during the year in question or during a later year.
- B.19 Under regulations made under section 47 of the Local Government Finance Act 1988 authorities must give at least 12 months' notice of a revocation or variation of a rate relief scheme the effect of which would be to increase rate bills. Such a revocation or variation can only take effect at the end of a financial year (other than to comply with international agreements). But within these regulations, the council may still make decisions which are conditional upon eligibility criteria. If a change in circumstances renders a property ineligible, the relevant bill can be amended in the year to reflect the loss of the relief.
- B.20 Therefore, when making an award for SSBR, local authorities should ensure in the conditions of the award that the relief are subject to the property's continuing eligibility. If the use of the property changes so that it is no longer eligible, the relevant chargeable amount will be recalculated to reflect that fact. And as discussed at paragraph E.10 above, eligibility for those ratepayers previously in the 2017 SSBR scheme in 2022/23 are eligible for one year of relief only so that the relief can then be withdrawn from those ratepayers on 31 March 2024 without further notice.

Detailed guidance for operation of the 2023 Supporting Small Business Relief (2023 SSBR)

- B.21 For 1 April 2023, 2023 SSBR applies to properties for which:
- the chargeable amount for 31 March 2023 is calculated in accordance with:
 - section 43(4A) and in relation to 43(4A) the value of E for 31 March 2023 is greater than 1, or
 - section (6A), or
 - section 47 by virtue of being eligible for schemes introduced by local authorities in 2022/23 to deliver the Extension of Transitional Relief and Supporting Small Business Relief for small and medium properties as set out in guidance issued by this Department on 20 December 2021, and
 - the chargeable amount for 1 April 2023 would otherwise be found in accordance with section 43(4), 43(4A), 43(6A) or regulations 12(3), 12(7) or 12(9) of the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2022, and
 - the chargeable amount for 1 April 2023 would be more than (£600/365 days) higher than the chargeable amount for 31 March 2023.
- B.22 Where for 31 March 2023 the chargeable amount has been found under section 47 other than under a

scheme introduced to deliver the Extension of Transitional Relief and Supporting Small Business Relief for small and medium properties, then eligibility for 2023 SSBR will be determined as if section 47 did not apply.

Continued eligibility for the scheme after 1 April 2023

- B.23 After 1 April 2023, 2023 SSBR will cease to apply where:
- the chargeable amount for a day found under 2023 SSBR is the same as or more than the chargeable amount found in the absence of 2023 SSBR. This ensures that where, for example, the increase in the chargeable amount in 2023 SSBR would take the bill above the level it would otherwise have been then the property will drop out of 2023 SSBR. It also ensures that where, for example, with effect from after 1 April 2023, the property becomes eligible for 100% Small Business Rate Relief then they also fall out of 2023 SSBR,
 - the chargeable amount for a day would otherwise fall to be found by section 43(5) of the 1988 Act or where paragraph 12(5) or sub-paragraphs 2(4), 3(4), 4(4), 5(4) of the Schedule of the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2022 applies (charities or registered community amateur sports clubs),
 - the property for a day is unoccupied, or
 - in respect of days from the 1 April 2024 onwards the property had its chargeable amount for 31 March 2023 found by section 47 by virtue of being eligible for schemes introduced by local authorities in 2022/23 to deliver the Extension of Transitional Relief and Supporting Small Business Relief for small and medium properties as set out in guidance issued by this Department on 20 December 2021.
- B.24 Furthermore, where the ratepayer during 2022/23 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 (and therefore was still entitled to small business rate relief on 31 March 2023), then eligibility for 2023 SSBR will cease at the end of that 12-month period of grace.
- B.25 Properties which cease to be entitled to 2023 SSBR for a day cannot return to eligibility if their circumstances change from a later day. For example, if a property falls unoccupied it will not then be eligible for 2023 SSBR if it subsequently becomes occupied again.

Eligibility post 1 April 2023 by virtue of a regulation 18 certificate

- B.26 As with the transitional relief scheme, where the valuation officer issues a certificate of rateable value under regulation 18 of the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2022 certifying the correct rateable value at 1 April 2023 (in circumstances where they cannot by rule now amend the list for 1 April 2023) then eligibility for 2023 SSBR and the calculation of 2023 SSBR will be revisited using the regulation 18 certified value in place of the value shown in the list for 1 April 2023. As with the transitional relief scheme, this will have effect as regards the days referred to in regulation 18(4) (the effective date of when the list was altered to correct the inaccuracy and subsequent days) or regulation 18(5) (where no alteration has been made).
- B.27 This ensures that those ratepayers whose compiled list 2023 rateable values are increased by the Valuation Office Agency but only from the date the list is altered may still be eligible for SSBR from that point onwards. This ensures those ratepayers are not penalised just because the increase in their rateable

value was not backdated to 1 April 2023. This follows the same principle which currently exists in the transitional relief scheme.

Chargeable Amount under the Supporting Small Business Scheme

- B.28 Where 2023 SSBR applies then DLUHC will fund the council to apply a chargeable amount under section 47 of the 1988 Act for the period 1 April 2023 to 31 March 2026 found in accordance with the rules in Part 1 to Part 3 of the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2022 subject to the following changes:
- base liability (BL) for 2023/24 is the chargeable amount for 31 March 2023 x 365 on the assumption that section 47 did not apply for 31 March 2023 other than where the property was eligible for the Extension of Transitional Relief and Supporting Small Business Relief for small and medium properties, and
This ensures the starting base liability for properties eligible for 2023 SSBR include the SBRR, rural rate relief or Extension of TR/SSB for 31 March 2023. The assumptions ensure that other reliefs are not also rolled into the base liability,
 - where a certificate has been issued under regulations 19 or 20 then BL for 2023/24 should be found in line with a) above but on the assumption that the rateable value in the rating list was the rateable value as certified,
 - references to “(BL x AF)” are to “(BL + 600)”. This ensures the bill increase is no more than £600,
 - regulation 12(6)(b) is omitted. This ensures SBRR is not also applied to the capped bill in 2023 SSBR. This avoids double counting of relief as illustrated at paragraph E.13 above,
 - the reference to “2” in regulation 12(8) is “1”. This ensures rural rate relief is not also applied to the capped bill in SSBR. This avoids double counting of relief,
 - “U” is taken to have a value of 0 throughout. This ensures that any property whose rateable value is £51,000 or more does not have to pay the 1.3p supplement whilst eligible for SSBR,
 - for a year (the year concerned) other than 2023/24, BL is (BL + 600) from the year immediately preceding the year concerned.
- B.29 No change is made to the meaning of NCA. However, as discussed above, eligibility for 2023 SSBR ceases when the chargeable amount for a day found under 2023 SSBR is the same as or more than the chargeable amount found outside the scheme.
- B.30 For the avoidance of doubt, the rules for changes in rateable value with effect from after 1 April 2023 (regulation 13) will continue to apply as normal subject to the amendments in paragraph E.26 above. This ensures that, for example, later increases in rateable value are paid in full in the normal way.

Splits and mergers

- B.31 2023 SSBR will apply to properties:
- coming into existence because of the circumstances described in paragraph 1 of the Schedule of Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2022,
 - where one of the properties from which the new property was formed in whole or in part was for the day immediately before the creation day eligible for 2023 SSBR, and
 - the circumstances described at paragraph E.22 above do not apply for the creation day in respect of the property.

-
- B.32 After the creation day, 2023 SSBR will cease to apply in the circumstances described in paragraph 5.2 above.
- B.33 The number of properties eligible for 2023 SSBR which then split or merge is likely to be small and devising rules in particular for mergers with properties outside of 2023 SSBR would be complex. Therefore, as with the 2017 SSB scheme, the government has concluded it would be disproportionate to devise detailed rules to prescribe the chargeable amounts in the various circumstances which could arise from a split or a merger.
- B.34 Instead, for properties meeting the criteria in paragraph E.31 and E.32 above, DLUHC will fund local authorities to apply a chargeable amount under section 47 of the 1988 Act found in accordance with the following principle:
- that the protection offered by SSBR (that the bill will not rise by more than £600 p.a.) will continue to apply in principle to that part of the newly created property which was immediately before the creation day in SSBR, and
 - that increases (or reductions) in overall rateable value arising from the split or merger are not subject to the protection of SSBR.
- B.35 For simple splits of properties previously eligible for SSB, authorities may wish to simply apportion the chargeable amount in the SSB scheme for the property before the split in line with the change in rateable value from the split (i.e. in line with the principle in the Schedule of Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2022).
- B.36 For mergers and reorganisations, authorities will have to estimate the degree to which, in line with the principle of the SSB scheme, that part of the property which was formerly eligible for SSB should continue to receive support under the SSB scheme. DLUHC does not expect authorities to seek any formal apportionments of the rateable value for this purpose.

Appendix C

Retail, Hospitality and Leisure Relief 2025/26

Background

- C.1 At the Autumn Budget on 30 October 2024 the Chancellor announced the extension of the business rates relief scheme for retail, hospitality, and leisure businesses.
- C.2 As this is a temporary measure, Government is not changing legislation to define when a property entitled to relief. Instead they will, in line with the eligibility criteria set out in guidance, reimburse local authorities that use their discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended) to grant relief.
- C.3 Government will fully reimburse the council for their loss of income under the rates retention scheme as a result of awarding the relief that falls within the definitions in the guidance, using a grant under section 31 of the Local Government Act 2003.
- C.4 Government issued a guidance note intended to support local authorities in administering the relief.

Properties to benefit from the relief

- C.5 Properties which benefit from the relief will be those which for a chargeable day in 2025/26:
- meet the eligibility criteria in D.19-D25, and
 - the ratepayer for that chargeable day has not refused the relief for the eligible property. The ratepayer may refuse the relief for each eligible property anytime up to 30 April 2025. The ratepayer cannot subsequently withdraw their refusal for either all or part of the financial year.
- C.6 For the purposes of section 47 of the 1988 Act, properties where the ratepayer has refused the relief are outside of the scheme and outside of the scope of the decision of which properties qualify for the relief.

Amount of relief to be awarded

- C.7 Subject to the £110,000 cash cap per business, the total amount of government-funded relief available for each property for 2025/26 under this scheme is 40% of the chargeable amount.
- C.8 The relief will be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied.
- C.9 Subject to the cash cap, the eligibility for the relief and the relief itself will be assessed and calculated on a daily basis. The following formula will be used to determine the amount of relief to be granted for a chargeable day for a particular property in the financial year 2025/26:

Amount of relief to be granted = $V \times 0.40$ where:

V is the daily charge for the property for the chargeable day after the application of any mandatory relief and certain other discretionary reliefs in line with the guidance in paragraph D.8 above.

- C.10 This will be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.

- C.11 The total value of relief available per business, whether occupying one or more properties, is capped at £110,000. Any ratepayer who would be eligible for a sum of relief above £110,000 if there were no cap in place, will be awarded relief up to the full value of £110,000 (as has been the policy for previous years). Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, up to a total value of £110,000 across all of their properties.

The cash cap and subsidy control

- C.12 Under the cash cap, no ratepayer can in any circumstances exceed the £110,000 cash cap across all of their properties in England.
- C.13 Where a ratepayer has a qualifying connection with another ratepayer then those ratepayers should be considered as one ratepayer for the purposes of the cash caps. A ratepayer shall be treated as having a qualifying connection with another:
- where both ratepayers are companies, and
 - o one is a subsidiary of the other, or
 - o both are subsidiaries of the same company; or
 - where only one ratepayer is a company, the other ratepayer (the “second ratepayer”) has such an interest in that company as would, if the second ratepayer were a company, result in its being the holding company of the other (“company” has the meaning given by section 1(1) of the Companies Act 2006. “Holding company” and “subsidiary” have the meanings given by section 1159 of the Companies Act 2006)
- C.14 Furthermore, the Retail Hospitality and Leisure Scheme is likely to amount to subsidy. Any relief provided by the council under this scheme will need to comply with the UK’s domestic and international subsidy control obligations (see the [guidance for public authorities on the UK subsidy control regime](#) which contains guidance and information for the UK subsidy control regime).
- C.15 To the extent that the council is seeking to provide relief that falls below the Minimal Financial Assistance (MFA) thresholds, the Subsidy Control Act allows an enterprise (e.g. a holding company and its subsidiaries) to receive up to £315,000 in a 3-year period (consisting of the 2025/26 year and the 2 previous financial years). MFA subsidies cumulate with each other and with other subsidies that fall within the category of ‘Minimal or SPEI financial assistance’. BEIS COVID-19 business grants and any other subsidies claimed under the Small Amounts of Financial Assistance limit of the Trade and Cooperation Agreement should be counted towards the £315,000 allowance.
- C.16 In those cases where it is clear to the council that the ratepayer is likely to breach the cash cap or the MFA limit then the relief will be automatically withheld. Otherwise, the council will include the relief in bills and ratepayers must, on a self-assessment basis, inform the council if they are in breach of the cash caps or MFA limit.

Splits and mergers

- C.17 The relief will be applied on a day-to-day basis using the formula set out in D.9 above. A new property created as a result of a split or merger during the financial year, or where there is a change of use, should be considered afresh for the relief on that day.

Recalculations of relief

- C.18 The amount of relief awarded will be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value of the property. This change of circumstances could arise during the year in question or during a later year.

Eligibility for the Retail, Hospitality and Leisure Relief Scheme

C.19 Properties that meet the eligibility for Retail, Hospitality and Leisure scheme will be occupied properties which meet all of the following conditions for the chargeable day:

- they are wholly or mainly being used:
 - as shops, restaurants, cafes, drinking establishments, cinemas or live music venues,
 - for assembly and leisure; or
 - as hotels, guest & boarding premises or self-catering accommodation,

C.20 We consider shops, restaurants, cafes, drinking establishments, cinemas and live music venues to mean:

- Properties that are being used for the sale of goods to visiting members of the public:
 - shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc)
 - 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)
- Properties that are being used for the provision of the following services to visiting members of the public:
 - hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops, etc)
 - 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
 - car hire
- Properties that are being used for the sale of food and/or drink to visiting members of the public:
 - restaurants
 - takeaways
 - sandwich shops
 - coffee shops
 - pubs
 - bars
- Properties which are being used as cinemas
- Properties that are being used as live music venues:
 - Live music venues are properties wholly or mainly used for the performance of live music for the

purpose of entertaining an audience. Properties cannot be considered a live music venue for the purpose of business rates relief where a venue is wholly or mainly used as a nightclub or a theatre, for the purposes of the Town and Country Planning (Use Classes) Order 1987 (as amended).

- Properties can be a live music venue even if used for other activities, but only if those other activities (i) are merely ancillary or incidental to the performance of live music (e.g. the sale/supply of alcohol to audience members) or (ii) do not affect the fact that the primary activity for the premises is the performance of live music (e.g. because those other activities are insufficiently regular or frequent, such as a polling station or a fortnightly community event).
- There may be circumstances in which it is difficult to tell whether an activity is a performance of live music or, instead, the playing of recorded music. Although we would expect this would be clear in most circumstances, guidance on this may be found in Chapter 16 of the statutory guidance issued in April 2018 under section 182 of the Licensing Act 2003.

C.21 We consider assembly and leisure to mean:

- Properties that are being used for the provision of sport, leisure and facilities to visiting members of the public (including for the viewing of such activities):
 - sports grounds and clubs
 - museums and art galleries
 - nightclubs
 - sport and leisure facilities
 - stately homes and historic houses
 - theatres
 - tourist attractions
 - gyms
 - wellness centres, spas, massage parlours
 - casinos, gambling clubs and bingo halls
- Properties that are being used for the assembly of visiting members of the public:
 - public halls
 - clubhouses, clubs and institutions

C.22 We consider hotels, guest & boarding premises and self-catering accommodation to mean:

- Properties where the non-domestic part is being used for the provision of living accommodation as a business:
 - hotels, guest and boarding houses
 - holiday homes
 - caravan parks and sites

C.23 To qualify for the relief the property should be wholly or mainly being used for the above qualifying purposes. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, properties which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

C.24 The list set out above is not intended to be exhaustive as it would be impossible to list the many and varied uses that exist within the qualifying purposes. However, it is intended to be a guide as to the types of uses that the council considers for this purpose to be eligible for relief. The council will determine whether particular properties not listed are broadly similar in nature to those above and, if so, consider them eligible for the relief. Conversely, properties that are not broadly similar in nature to those listed above will not be eligible for the relief.

C.25 The list below sets out the types of uses that the council does not consider to be an eligible use for the purpose of this relief. Again, the council will determine whether particular properties are broadly similar in nature to those below and, if so, to consider them not eligible for the relief under this scheme.

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

- financial services (e.g. banks, building societies, cash points, bureaux de change, short-term loan providers, betting shops)
 - medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
 - professional services (e.g. solicitors, accountants, insurance agents/financial advisers, employment agencies, estate agents, letting agents)
 - post office sorting offices
- Properties that are not reasonably accessible to visiting members of the public

Calculation examples

The Retail, Hospitality and Leisure scheme is always calculated after mandatory relief and other discretionary reliefs funded by section 31 grant. Ignoring cash caps.

Example 1: An occupied shop with a rateable value of £40,000

| | |
|--|-----------|
| Gross rates (before any reliefs) = £40,000 x 0.499: | = £19,960 |
| RHL Relief (40%), £19,960 x 0.40 | = -£7,984 |
| Rates due (after RHL Relief): | = £11,976 |

Example 2: An occupied shop with a rateable value of £100,000

| | |
|---|------------|
| Gross rates (before any reliefs) = £100,000 x 0.555: | = £55,500 |
| RHL Relief (40%), £55,500 x 0.40 | = -£22,200 |
| Rates due (after RHL Relief): | = £33,300 |

Example 3: An occupied charity shop with a rateable value of £40,000

| | |
|---|-----------|
| Gross rates (before any reliefs) = £40,000 x 0.499 | = £19,960 |
| Net rates after charity relief (80%): | = £3,992 |
| RHL Relief (40%), £3,992 x 0.40 | = -£1,597 |
| Rates due (after charity relief and RHL Relief): | = £2,395 |

Example 4: An occupied shop with a rateable value of £13,500 eligible for Small Business Rate Relief (SBRR)

| | |
|---|-----------|
| Gross rates (before any reliefs) = £13,500 x 0.499 | = £6,737 |
| Net rates after SBRR (50%): | = £3,368 |
| RHL Relief (40%), £3,368 x 0.40 | = -£1,347 |

| | |
|--|----------|
| Rates due (after SBRR and RHL Relief): | = £2,021 |
|--|----------|

Example 5: An occupied shop with a rateable value of £10,000 eligible for Small Business Rate Relief (SBRR)

| | |
|---|-----------------|
| Gross rates (before any reliefs) = £10,000 x 0.499 | = £4,990 |
|---|-----------------|

| | |
|------------------------------|--------|
| Net rates after SBRR (100%): | = £nil |
|------------------------------|--------|

Rates bill is nil and, therefore, no RHL Relief applies

Example 6: A shop with a rateable value of £40,000 (example 1) but only occupied until 30 September 2025

| | |
|--|------------------|
| Gross rates while occupied (before any reliefs) = £40,000 x 0.499 x 183/365 | = £10,007 |
|--|------------------|

| | |
|--|-----------|
| RHL Relief (40% from 01/04/25 to 30/09/25), £10,007 x 0.40 | = -£4,003 |
|--|-----------|

| | |
|--------------------------|----------|
| Net rates while occupied | = £6,004 |
|--------------------------|----------|

| | |
|--|-----------------|
| Gross rates while unoccupied (before any reliefs) = £40,000 x 0.499 x 182/365 | = £9,953 |
|--|-----------------|

| | |
|---|-----------|
| Unoccupied property relief (100% from 01/10/25 to 31/12/25), £9,953 x 92/182: | = -£5,031 |
|---|-----------|

| | |
|----------------------------|----------|
| Net rates while unoccupied | = £4,922 |
|----------------------------|----------|

| | |
|--|-----------|
| Rates due for the year (after empty property relief and RHL Relief): | = £10,926 |
|--|-----------|

Appendix D

Section 44a – Partly occupied properties

General explanation

- D.1 A ratepayer is liable for the full non-domestic rate whether a property is wholly occupied or only partly occupied. Where a property is partly occupied for a **short term**, the local authority has discretion in certain cases to award relief in respect of the unoccupied part.

How the relief will be provided

- D.2 The Council will consider written (including email) applications. The ratepayer will need to provide the following:
- a. A detailed plan of the premises clearly identifying the occupied and unoccupied areas;
 - b. Access to the premises so that they can be inspected fully by the Council's representative;
 - c. Details of how long the premises are likely to be temporarily unoccupied;
 - d. Details of any future plans to occupy the premises; and
 - e. Full contact details of the ratepayer and any agent they have representing them
- E.3 If the decision is to award relief, The Council will request the Valuation Office Agency to issue a certificate showing the split in rateable value between the occupied and unoccupied parts.

The Council's policy

- E.4 The Council will consider applications for S44a relief from all ratepayers, whose premises meet the criteria. Each case will be considered on its own merits on a case-by-case basis. The Head of Council Tax and Business Rates will consider applications.
- E.5 In determining the application the following matters will be taken in to consideration:
- a. Whether, the premises will be unoccupied for a short term;
 - b. The reasons for the property being temporarily un-occupied;
 - c. Whether it would be more appropriate for the ratepayer to apply to the Valuation Office Agency to have the premises reassessed; and
 - d. Whether it is reasonable to grant the relief;
- E.6 The Council will grant any relief based on the Valuation Office Agency's certificate (as required by the legislation). The Revenues Manager will determine the period of any relief and it will be for a short term only. **It should be noted that Applications will not be considered for retrospective periods after which full occupation or vacation has taken place.**
- E.7 The period of relief will not exceed three months (or six months in the case of industrial property).

Appendix E

Section 49 – Hardship Relief

General explanation

- E.1 The Council is able to exercise its discretion under Section 49 of the Local Government Finance Act 1998 to provide either partial or full relief for non-domestic rate payments in cases of hardship where it would be reasonable to do so having due regard to the interests of council tax payers in general.

The Council's policy

- E.2 The Council will consider applications for hardship relief from individuals and organisations based on their own merits on a case-by-case basis. The Head of Council Tax and Business Rates will consider applications.
- E.3 In making decisions on whether to award the relief the Council takes into account the following criteria (not listed in any priority):
- Any reduction or remission of rates on the grounds of hardship should be the exception rather than the rule;
 - Any reduction of the rates must be shown to be significant to the future viability of the business;
 - The business must continue to trade;
 - The previous two years' accounts;
 - Cash flow forecast for a minimum of the next twelve months together with a comprehensive Business Plan incorporating a brief history of the business;
 - The test of "hardship" is not strictly confined to financial hardship and this, in itself, is not a deciding factor;
 - The loss of the business would reduce amenities of an area if it is the sole provider of a service in the area;
 - Details of any state aid, grants or subsidies either from central or local government over the previous three years.
 - The loss of the business would worsen the employment prospects in the area;
 - The interests of the Council Tax payers of the area would be best served by awarding the relief;
 - The business must demonstrate how it is beneficial to the local community and why it is currently suffering financial hardship;
 - The business provides employment to local residents in an area where employment opportunities are limited;
 - Independent advice given by banks or financial advisors should be sought to demonstrate the future viability of the business;
 - Applications will only be considered where signed by the ratepayer, or, where an organisation is the ratepayer, an appropriately authorised representative of the organisation; and
 - The ratepayer will provide additional information as deemed necessary by the Council to be essential in order for a fair evaluation of the application.