

Approvals:

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DISCRETIONARY RATE RELIEF POLICY

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1. Introduction and scope

Somerset West & Taunton Council recognises that both the community and voluntary sectors make an important contribution to the local economy, health and well-being of the residents who live and work in the District of Somerset West & Taunton Council. However, Discretionary Rate Relief granted by Somerset West & Taunton Council is paid for by the Council Tax Payers and the Council has a duty to ensure that public funds are spent wisely and there is due transparency and accountability.

This policy document outlines the areas of local discretion and Somerset West & Taunton Council approach when awarding Discretionary Rate Relief. This approach has regard to the impact:

- On the Council's wider financial position and how that affects Council Tax payers
- On the organisations and businesses that currently receive or may apply for Relief in the future
- On Somerset West & Taunton Council residents, if relief is awarded and the regeneration benefits to the local community
- Of funding made available by Central Government to provide full financial support for the awarding of relief such as but not restricted to: Revaluation Relief, Rural Rate Relief and Help for Small Businesses, Retail Relief.

The principal consideration when making an award is that any Relief is in the best interests of the taxpayers of Somerset West & Taunton Council and produces a local benefit.

2. Discretionary Rate Relief Scheme

Discretionary Rate Relief is granted in accordance with:

- Section 43 of the Local Government Finance Act (LGFA) 1988; and
- Section 47- 49 of the Local Government Finance Act (LGFA) 1988 as amended by the Localism Act 2011

Clause 69 of the Localism Act amended section 47 of the Local Government Finance Act (LGFA) 1988 to allow local billing authorities to fund their own local discounts entirely as it sees fit within the limits of the primary legislation and European Rules on State Aid. These powers can be used to encourage new business and investment, regeneration projects, as well as to support local shops or community services.

The cost of awarding Discretionary Rate Relief is split between Central Government (50%), Somerset West & Taunton Council (44%) the County Council (9%) and Devon Fire (1%). However in certain circumstances Central Government fund 100% of the cost of awarding relief as detailed in [Appendix C](#).

Regulations state that hereditaments cannot qualify for relief that are occupied by precepting authorities which includes **town and parish councils**. Discretionary relief cannot be awarded in respect of any properties where Somerset West & Taunton Council, town or parish councils are in occupation, unless acting as 'trustee'

Other organisations that would not normally receive discretionary relief

Educational organisations that are not registered charities (including universities, further education colleges, voluntary aided, voluntary controlled, church or grant-aided schools, public schools, foundation schools and academies).

Guidance was given to local authorities in 1990 and 2002 recommending that the authority should have readily understood policies for deciding whether or not to grant relief, and for determining the amount of relief to certain organisations which operate within specified criteria. This criteria covers:

- Charitable bodies already in receipt of Mandatory Relief at 80% the Council has further discretion to “top up” this Relief
- Registered community amateur sports clubs already in receipt of Mandatory Relief at 80% - the Council has further discretion to “top up” this Relief on a case by case basis.
- Not for-profit organisations - the Council has discretion to grant Discretionary Rate Relief in accordance with local policy on a case by case basis.

The Council will consider applications for a Discretionary Rate Relief “top up” based on a case by case basis. The principal consideration is that any Discretionary Relief is granted in the best interests of the taxpayers of Somerset West & Taunton Council and produces a local benefit as the Council must bear a percentage of the cost of any Relief granted. **However, it is Council policy that no Discretionary Relief will be awarded to National Charity Shops so they will only receive the 80% Mandatory Relief.**

Discretionary Relief will only be considered where the Rateable Value (RV) is up to and including £200,000(RV). Applications received where the (RV) is above this will be reviewed on a case by case basis and not immediately refused, although circumstances would need to be considered to be unique before relief is awarded. Relief will be capped at a maximum of 80% the gross business rates charge with a £200,000(RV), Somerset West Taunton Council recognises that one size doesn't fit all.

2.1 Rural Rate Relief

In all three scenarios listed below 100% Rural Rate Relief should be applied.

Autumn Statement 2016

The Autumn Statement confirmed that the Government will double Rural Rate Relief to 100% from 01/04/2017. Primary legislation will be changed from 01/04/2018 making this relief 100% mandatory for all qualifying businesses. To allow this relief to be paid in 2017/18 the government requested that Billing Authorities awarded the relief using s47. Compensation would be given via s31 grant.

Following the decision not to reintroduce the Local Government Finance Bill, for 2018/19 we expect local authorities to continue to use their local discount powers to grant 100% rural rate relief to eligible ratepayers, as they have done so for 2017/18. Local authorities will be compensated in full for their loss of income as a result of this change. This compensation will be paid by section 31 grant and calculated on the basis of the returns that councils make under the rates retention scheme.

The Council may award Rural Rate Relief to qualifying businesses in designated rural settlements (settlements identified with a population of less than 3,000). Qualifying businesses include Post Offices and Food Shops with a rateable value of less than £8,500 or the only Public House, or the only Petrol Filling Station in the designated rural settlements with a rateable value of less than £12,500.

Rural Settlements – Maintenance of Lists

It is further agreed that a review is undertaken of qualifying rural settlements 3 months before the new financial year begins. Further information to aid this process will have to be obtained from census records where possible. To help with the review information will be used from Electoral Registration to try and obtain population numbers. The populous of an area doesn't have age boundaries all are included in the 3000 population amount.

If it is found that the population is greater than 3000 and a business no-longer qualifies advice will be given on alternative reliefs that could be claimed. It would be assumed that in most cases the organisation/business would claim Small Business Rates Relief

Post Offices

Post Offices are an important component of many local communities, and particularly so in rural areas and qualifying Post Offices, in designated rural areas with an Rateable Value of less than £8,500 will receive 100% Rural Rate Relief.

Village Stores, Filling Stations, Public Houses and Village Halls

Village Stores with a rateable value of less than £8,500, and Filling Stations and Pubs with a rateable value of less than £12,500, will receive 100 % Rural Rate Relief.

It is Council policy that all "Village Halls" will be awarded 100% Discretionary Top-Up relief after any Mandatory Relief has been applied. No applications will be required.

Other Rural Businesses with Rateable Values under £16,500

Such businesses get no Mandatory Relief and can only be considered for Discretionary Rural Rate Relief each case is treated on its own merits by reference to the contribution and importance of the business to the local community.

A maximum of 80% Discretionary Rate Relief can be awarded the Council will assess all applications by using the scoring matrix shown in [Appendix A](#).

3. Charitable Organisations

Mandatory Rate Relief of 80% is granted to charities in the following circumstances:

Where the:

- Ratepayer of a property is a charity or the trustees of a charity;
and
- The property is wholly or mainly used for charitable purposes (including charity shops, where the goods sold are mainly donated and the proceeds are used for the purpose of the charity)

Registration under the Charities Act 1993 is conclusive evidence of charitable status. Bodies which, under the 1993 Act, are exempted from registration or are exempt charities are also eligible for Mandatory Relief.

It is agreed that in cases where a charity is in receipt of Mandatory Rate Relief of **80%** the Council will consider applications for a Discretionary Rate Relief “top up” on a case by case basis. If, but for an award of Mandatory Relief, a charity would qualify for 100% small business rate relief, Discretionary Rate Relief “top up” will be awarded at 100% of any remaining business rate bill. This only applies to local charities and not national charities, except for Citizens Advice Bureaux where 100% ‘top up’ will be granted.

The principal consideration is that any Discretionary Relief is granted in the best interests of the taxpayers of Somerset West & Taunton Council and delivers a local benefit as the Council must bear a percentage of the cost of any Relief granted Mandatory and or Discretionary at 44%.

However, it is Council policy that no Discretionary Rate Relief will be paid to National Charity Shops.

For a consistent approach the maximum of relief will be calculated as shown in [Appendix A](#).

4. Registered Community Amateur Sports Clubs (CASC's)

Mandatory Rate Relief of 80% is granted to registered CASC's.

To qualify as a CASC, the club must fulfil ALL of the following criteria. It must be:

- On the CASC register (<https://www.gov.uk/government/publications/community-amateur-sportsclubs-casc-registered-with-hmrc--2>)
- Open to the whole community
- Run as an amateur club
- A non-profit making organisation; and
- Aiming to provide facilities for, and encourage people to take part in, eligible sport

The Council will consider applications for a Discretionary Rate Relief “top up” from CASC's on a case by case basis. If, but for an award of Mandatory Relief, a CASC would qualify for 100% small business rate relief, Discretionary Rate Relief “top up” will be awarded at 100% of any remaining business rate bill. This only applies to local organisations not national companies, however, all applications will be looked at on a case by case basis.

The principal consideration is that any Relief is granted in the best interests of the taxpayers of Somerset West & Taunton Council and produces a local benefit as the Council must bear a percentage of the cost of any Relief granted at 44%. However, it should be noted that sports clubs and other organisations which run a bar will have this assessed along with other criteria. For a consistent approach on the maximum of **10%** Discretionary Rate Relief awarded the Council will assess all applications by using the scoring matrix as shown in [Appendix A](#).

5. Not for-profit making organisations including Community Interest Companies

Such organisations do not qualify for Mandatory Relief and can only be considered for Discretionary Relief each case is treated on its merits by reference to the contribution and importance of the business to the local community.

The main objectives of the organisation must be related to:

Relief of poverty, Advancement of Religion, Advancement of Education, Social Welfare, Science, Literature, Fine arts and Recreation or otherwise beneficial to the community.

A Community Interest Company (“CIC”) is a type of company, designed primarily for social enterprises that want to use their profits and assets for the public good. CIC’s are particularly attractive to those wishing to enjoy the benefits of limited company status and want to make it clear that they are established for the benefit of the community, but are not able, or do not wish to become charities. They vary in size from small community-based organisations to multimillion pound enterprises. CIC’s are relatively easy to set up, with all the flexibility and certainty of the company form, but with some special features which ensure that they work for the benefit of the community.

However, it should be noted that sports clubs and other organisations which run a **bar** will have this assessed along with other criteria.

It is agreed that the Council will consider applications for a Discretionary Rate Relief for ‘Not For-Profit’ Organisations and Community Interest Companies on a case by case basis. The principal consideration is that any Discretionary Relief is granted in the best interests of the taxpayers of Somerset West & Taunton Council and produces a local benefit as the Council must bear a percentage of the cost of any Relief granted of 44%.

Discretionary Relief will only be considered where the Rateable Value (RV) is up to and including £200,000(RV). Applications received where the (RV) is above this will be reviewed on a case by case basis and not immediately refused, although circumstances would need to be considered to be unique before relief is awarded. Relief will be capped at a maximum of 80% the gross business rates charge with a £200,000(RV), Somerset West Taunton Council recognises that one size doesn’t fit all.

For a consistent approach on the maximum of **80%** Discretionary Rate Relief awarded the Council will assess all applications by using the scoring matrix as shown in [Appendix A](#).

6. Hardship Relief (Section 49)

The Council has the power to reduce or remit the Business Rates charged in certain circumstances where the Ratepayer is enduring temporary financial difficulties, this is known as Hardship Relief.

The principal purpose of an award of Hardship Relief is to provide short term assistance to businesses that are suffering “exceptional” hardship arising from circumstances beyond the control and outside of the normal risks associated with running a business of that type to the extent that the viability of the business would be threatened if an award were not made. Applicants must have and be able to demonstrate they have investigated all other avenues of financial assistance prior to making a claim for Hardship Relief.

The Council may grant Hardship Relief if it is satisfied that:

- The Ratepayer would sustain financial hardship if the Council did not do so:
and
- It is reasonable for the Council to grant Relief, with regard to the interests of its residents and Council Tax payers

Hardship Relief will only be applied to the actual balance outstanding in the year the application was made.

No Hardship Relief can be awarded where payment has been made in part or full.

Hardship Relief is a temporary measure which can only be awarded once because it should not be used to artificially sustain a failing business. Hardship Relief may be awarded where the ratepayer is facing temporary financial difficulties and where the community would be significantly disadvantaged if the business were to close. The maximum award period is 12 months.

Applications for Hardship Relief must be accompanied by a full set of audited accounts relating to the two years preceding the date of application. Where audited accounts are not available for the current financial year, projected figures certified as being a 'true and fair view' by the company secretary or company accountants may be used. It is recommended that applicants submit audited accounts dating back further than two years, if such information is available.

For a consistent approach on the amount of Discretionary Rate Relief awarded the Council will assess all applications by using the scoring matrix as shown in [Appendix A](#)

Due to the nature of this relief Somerset West & Taunton Council will not apply the £200,000 (RV) restriction. When reviewing the application all current case law will be taken into account when assessing any award.

7. Section 44a Relief (partly occupied properties)

The Council has discretion under section 44a of the Local Government Finance Act to award Rate Relief where part of a property is unoccupied for a temporary period. The definition of 'temporary period' is not prescribed within the law and therefore Somerset West & Taunton Council has the discretion to decide the period of Relief to be awarded. The amount of Rate Relief that is awarded is determined by statute and is calculated by reference to the Rateable Value attributed to the unoccupied area by the Valuation Office Agency, part of Her Majesty's Revenue and Customs (HMRC).

Applications will only be considered in respect of unoccupied parts of a property and must be made within the year that the reduction was required. Clearly defined and are reasonably segregated from the occupied part of the property must be evidenced.

No award shall be made where it appears to the Council that the reason that part of the property is unoccupied is wholly or mainly for the purposes of applying for Rate Relief.

Rate Relief under this section will not be awarded in respect of partly occupied property where the partial occupation of the property may arise due to the ordinary day to day nature of the business (for example the operation of a warehouse).

The period of Relief will not exceed either 3 or 6 months depending on the type of property the claim has been made for, in line with the current legislation for part-occupied properties.

8. Backdating

Section 47 (7) of the Local Government Finance Act 1988 stipulates that a decision to grant relief for a specific day is invalid if it is made more than 6 months after the end of the financial year in which the day falls. This means that:

- Applications decided before 1 October can be backdated to the start of liability or 1 April of the previous financial year (whichever is the most recent)
- Applications decided after 30 September can only be backdated to the start of liability or 1 April of the current financial year (whichever is the most recent).

Where a backdated application is received, the customer will be required to produce evidence to prove the area was unoccupied for the period the relief relates to. Acceptance of such evidence is at the discretion of Somerset West & Taunton Council. A reason as to why the application wasn't made at the time of need must also be given.

Applications could be considered, for example, where the property is used for purposes which are of benefit to the local community but do not fall in any other categories for relief, and it would be in the interests of the Council Tax Payer to make an award, as the Council has to meet a percentage of the cost shown at [Appendix A](#). It could also be used to support regeneration projects within Somerset West & Taunton Council to bring empty properties back into use by way of 'staged occupation'.

9. Interaction of Relief Rules

S43 (8B) LGFA 1988 says that where the ratepayer qualifies for both charitable and small business rates relief then the chargeable amount is calculated using the formula for charitable relief not small business rates relief.

Interaction with other reliefs

Certain properties may be eligible for other types of relief. Under section 61(4) of the Local Government Act 2003:-

- If a property is eligible for charitable relief and small business rates relief , it shall receive charitable relief;
- If a property is eligible for rural rate relief and small business rates relief , it shall receive rural rate relief;
- If a property is eligible for all three reliefs it shall receive charitable relief

10. Temporary Measures (Fully Funded by Central Government)

Supporting Small Businesses

At the Spring Budget, the Chancellor announced that a scheme of relief would be made available to those ratepayers facing large increases as a result of the loss of Small Business or Rural Rate Relief.

The transitional relief scheme does not provide support in respect of changes in reliefs. Therefore, those ratepayers who are losing some or all of their Small Business or Rural Rate Relief may be facing very large percentage increases in bills from 1 April 2017

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. Unlike the transitional relief scheme, for the first year of the scheme the percentage increase is taken against the bill for 31 March 2017 after small business rate relief or rural rate relief , or
- b. a cash value of £600 per year (£50 per month). This cash minimum increase ensures that those ratepayers paying nothing or very small amounts in 2016/17 after small business rate relief are brought into paying something.

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 to fund Small Business Rate Relief while they are eligible for the Supporting Small Businesses Relief scheme.

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

Revaluation Relief

In the Budget on 8 March, the Chancellor announced that the Government would make available a discretionary fund of £300 million over four years from 2017-18 to support those businesses that face the steepest increases in their business rates bills as a result of the revaluation. Local government is best placed to determine how this fund should be targeted and administered to support those businesses and locations within their area that are in the greatest need

The DCLG published a consultation on the design of the discretionary relief on 9 March, seeking views on the allocation of the fund, arrangements for compensation for local authorities, and the operation of local schemes. This can be accessed at: <https://www.gov.uk/government/consultations/discretionary-business-rates-relief-scheme>. Somerset West & Taunton Council proposed share of the £300m is as follows:

- 2017/18 - £148k
- 2018/19 - £72k
- 2019/20 - £30k

- 2020/21 - £4k

2. Other Reliefs -

Hereditaments eligible for charity or Community Amateur Sports Club relief or hereditaments which are unoccupied are not eligible for Supporting Small Businesses Relief. And, for the avoidance of doubt, small business rate relief or rural rate relief should not be applied to further reduce the bill found under Supporting Small Business Relief.

All other discretionary reliefs, including those funded by section 31 grants, should be considered after the application of Supporting Small Businesses Relief. Supporting Small Business Relief will be applied after the TR amount.

Pub Relief

On the 27 January 2020 government announced a new discount for pubs which takes effect from 1 April 2020 for 2020/21.

The pub discount will provide a £1,000 discount to eligible pubs with a rateable value of less than £100,000 in 2020/21. This is in addition to the retail discount and will apply after the retail discount has reduced the net charge.

The discount is subject to European State Aid de minimis rules. This bars a company from receiving more than €200,000 in State Aid across a rolling three year period.

See '**backdating**' for applications received outside of the financial year in which the relief was allowed to be paid.

Local Newspaper Relief

The Council has the discretion to discount business rate bills by up to £1,500 in 2017/18 2018/19 and 2019/20 for office space occupied by journalists and reporters of local newspapers.

This is a temporary measure to support local newspapers adapting to technological changes within the industry. The relief is only for local newspapers and will be delivered through local authority discretionary powers (under section 47(3) of the Local Government Finance Act.

There is a maximum of one discount for each local newspaper title and premises. The discount is subject to European State Aid de minimis rules. This bars a company from receiving more than €200,000 in State Aid across a rolling three year period.

This relief does not apply to:

Local council newspapers

On-line publications

Local Magazines

On the 27 January 2020 government announced local newspaper relief would be extended into 2020 and apply for 5 years, ending on 31 March 2025.

Retail Discount

We have the discretion to discount business rate bills by one third of the daily chargeable amount payable in 2019/20, for 20/21 this has been increased to 50% for retail premises with a rateable value of £50,999 or less. Retail premises must be occupied and wholly or mainly used to sell goods, services or food and drink to visiting members of the public.

As a guide, qualifying businesses may include:

Premises used to sell goods to visiting members of the public:

- Shops, for example, butchers, bakers, grocers, florists, greengrocers, jewellers, stationers, off-licences, chemists, newsagents, hardware stores
- Furnishing shops or display rooms (for example, carpet shops, double glazing, garage doors)
- Art galleries where art is for sale or hire
- Charity shops
- Opticians
- Car or caravan showrooms
- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Post offices

Premises used to provide the following services to visiting members of the public

- Hair and beauty services such as hairdressers, nail bars, beauty salons, tanning shops
- Shoe repairs or key cutting
- PC, TV or domestic appliance repair
- Ticket offices, for example for theatre
- Dry-cleaners or Launderettes
- Cinemas
- Car hire
- Funeral directors
- Travel agents
- Photo processing
- DVD or video rentals
- Tool hire
- Music Venues

Premises used to sell food and/ or drink to visiting members of the public:

- Restaurants
- Sandwich shops
- Pubs
- Coffee shops
- Takeaways
- Bars

These lists are not exhaustive as it is impossible to list the many and varied retail uses that exist. We will consider retail rate relief for businesses that are broadly similar to those above. As retail rate relief is discretionary, we may decide not to award it if doing so will be against our wider objectives for the local area.

Which properties will NOT benefit from retail business rate relief?

Premises not reasonably accessible to visiting members of the public, or those not wholly or mainly used for the qualifying purpose will not be eligible. The list below sets out the types of uses the Government does not consider being retail use for this relief.

- Financial services, for example banks, building societies, cashpoints, bureau de change, payday lenders, betting shops, pawn brokers
- Medical services such as vets, dentists, doctors, osteopaths, chiropractors
- Professional services such as solicitors, accountants, insurance agents, financial advisers, tutors
- Other services such as estate agents, letting agents, employment agencies
- Post office sorting office

If we decide premises are occupied by businesses broadly similar to those listed above, we will not award retail rate relief.

How much relief will be available?

Retail rate relief for each property in 2019/20 will be one third, from 1 April 2020 this will increase to 50% until 31 March 2021. We will assess eligibility and calculate relief on a daily basis. We will award retail rate relief to the net business rates bill after we have applied any other relief.

Ratepayers occupying more than one property will be entitled to relief for each of their eligible properties, subject to State Aid de minimis limits.

We must be satisfied that awarding discretionary rate relief will not result in a business receiving more than €200,000 of De Minimis aid. This will limit the scope for multi-site retailers to get this retail rate relief for all their shops, especially if their business already gets other forms of State Aid. For more information see:

<https://www.gov.uk/government/publications/state-aid-frequently-asked-questions>

Applications and review process

To enable the relief to be awarded quickly to businesses the Council will invite application by applying the relief and issuing adjustment notices. To retain the relief businesses **must** sign and return the state aide form, or make a declaration by using the online form. Relief will be awarded for the financial years, 2019/20 & 2020/21. Relief will be withdrawn in accordance with regulations should there be a change of circumstances that affect the relief awarded.

New applications for Retail Rate Relief should be made using through our website.

Appeal: Link to Appeals Section

11. State Aid

State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. However the Supporting Small Businesses relief scheme will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013)⁷.

The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a rolling three year period (consisting of the current financial year and the two previous financial years)

To administer De Minimis it is necessary for the local authority to establish that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid. Note that the threshold only relates to aid provided under the De Minimis Regulations

The Council will issue a declaration form with all awards of discretionary relief, failure to return will result in relief being removed.

12. Local Business Rate Discretionary Discount

Section 69 of The Localism Act 2011 amends Section 47 of the Local Government Finance Act 1988 and allows the Council to grant locally determined Business Rate Discounts (in addition to the already available Discretionary Rate Reliefs).

The new power recognises that the current business rates scheme is broadly prescribed by central government and its aim is to provide increased flexibility to local authorities to support organisations, recognising the variations in economic conditions across and within local authority boundaries.

Any ratepayer applying for a Local Business Rate Discount who does not meet the criteria for Discretionary Rate Relief under any other part of this policy, must meet all of the following criteria and any award will be based on these factors:

- The ratepayer must not be entitled to Mandatory Rate Relief (Charity or Rural Rate Relief)
- The Rateable Value must be less than £200,000 (RV)
- The ratepayer must not be an organisation that could receive relief as a non-profit making organisation or as Community Amateur Sports Club.
- The ratepayer must occupy the premises – no relief will be granted for unoccupied properties. The premises and the organisation must be of significant benefit to the taxpayers of Somerset West & Taunton Council.
- Provide facilities to certain priority groups such as elderly, disabled, minority or disadvantaged groups, and OR
- Provide significant employment or employment opportunities to residents of Somerset West & Taunton Council

- Provide residents of Somerset West & Taunton Council with such services, opportunities or facilities that cannot be obtained locally or are not provided by another organisation
- The ratepayer must show that the organisation will comply with all legislative requirements and operate in an ethical, sustainable and environmentally friendly manner at all times

Where a ratepayer can demonstrate that all of the above criteria are met, any award must have due regard to:

- the financial status of the applicant when determining the level of relief to be granted, and the impact and best interests of the Council Tax payers of Somerset West & Taunton Council
- It must be noted that the Council will only pay a maximum of **80%** relief, 100% relief will only be considered in the most exceptional circumstances and via the formal appeals process.

Relief will not be given to those organisations where a bar is the main activity. It would be expected that any bar profits would be used to offset any expenses thus negating the reliance on public funds.

12.1 Local Discretionary Relief for Young/New Businesses/Innovation Centres

There is an expectation that an occupier receiving discretionary relief on their business rates under this criteria would engage and work positively with West Somerset & Taunton Council on helping to support corporate priorities and bring benefits for residents and the local area. Before making the offer of relief, an initial meeting will be arranged between appropriate Council officers (with an economic development and regeneration focus) and the occupier to discuss how both parties can work together going forward to bring value and benefits for local residents

- A new Business in its first year of trading can receive rate relief of 60% in the first year or pro-rata of relief, 30% in second year, from year 3 a full charge would be due, unless agreed otherwise.
- The proposal is to treat communal or co-working space in premises designed for the incubation and growth of young businesses as first year start up space, providing 65% rates relief on such space.

Discretionary Relief will only be considered where the Rateable Value (RV) is up to and including £200,000(RV). Applications received where the (RV) is above this will be reviewed on a case by case basis and not immediately refused, although circumstances would need to be considered to be unique before relief is awarded. Relief will be capped at a maximum of 80% the gross business rates charge with a £200,000(RV), Somerset West Taunton Council recognises that one size doesn't fit all.

12.2 Community Library Partnerships

Where a Library has been set up as a Charity or Community Interest Company Somerset West and Taunton Council will award Mandatory Relief of 80% and 20% top up, as such no business rates would be payable.

As directed by regulation LGFA 1988 Regulation 47(9) should a Parish Council become a 'trustee' to the Library Somerset West and Taunton Council will award 100% relief.

<https://www.gov.uk/government/collections/community-libraries-good-practice-toolkit>

<http://somersetlibraries.co.uk/redesign/community-library-partnerships/>

<http://somersetlibraries.co.uk/wp-content/uploads/2018/10/Process-for-agreeing-and-establishing-Community-Library-Partnerships.pdf>

13. Organisations Receiving Funding from Somerset West & Taunton Council

Funding includes grants, contracts (including funding from joint commissioning arrangements between the Council and other public agencies) and discounted rent under a community building model lease.

The Council will use its discretion on a case by case basis to offer up to 80% relief to organisations receiving funding from the Council.

The case by case assessment for offering 80% relief to organisations that are funded by the Council will be based on the following information that will be requested on the application form, the Council reserves the right not to award any further relief if it feels the funding already received is sufficient.

1. Their funding arrangement with Somerset West & Taunton Council, including the date when the funding arrangement will come to an end, plus amount received.
2. To outline how the additional discretionary relief applied for would directly support and be reinvested in the activities or initiative that Somerset West & Taunton Council is funding the organisation to undertake
3. The social value for local residents and taxpayers

Discretionary Relief will only be considered where the Rateable Value (RV) is up to and including £200,000(RV). Applications received where the (RV) is above this will be reviewed on a case by case basis and not immediately refused, although circumstances would need to be considered to be unique before relief is awarded. Relief will be capped at a maximum of 80% the gross business rates charge with a £200,000(RV), Somerset West Taunton Council recognises that one size doesn't fit all.

14. Period of Relief

Where an application is successful, then the following will be notified in writing:

- 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;
- 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
- All change in circumstances should be notified to the Authority

15. Applications

A Discretionary Rate Relief form must be completed at all times this can be found on our website at: (enter website address link) – (Firm step)

All completed application forms should be returned to Somerset West & Taunton Council, Deane House, Belvedere Road, Taunton, Somerset TA1 1HE or emailed to (insert when known/confirmed)

If a business is already receiving (or has applied for) other help from the Council such as a grant this may affect your Discretionary Rate Relief application this information must be included in the application form.

16. Approvals

Any Officer or Councillor involved in the decision-making process for Discretionary Rate Relief or Hardship Relief must declare if they have an interest in or an association with any ratepayer applying.

Upon receipt of the application form the initial assessment to award or refuse Discretionary Rate Relief will be made by a “nominated officer” and their recommendations must be agreed by a “senior nominated officer”

Applicants will be notified in writing of all decisions. A revised Business Rates bill will be issued with an awarding letter informing them of how much relief has been awarded and the dates the relief will be awarded between.

The applicant will be required to apply for further relief when the current period of relief expires

Approvals will not be required for reliefs given under ‘temporary measures’ a “nominated officer” will have the delegated authority to award relief as per local policy and the legal process. Any changes will also need to be approved via ‘executive order’ to bring them into the policy.

17. Appeals

There is no statutory right of appeal against a decision made by the Council in respect of Discretionary Rate Relief. However, a nominated officer, in consultation with the Portfolio Holder, will review the case where it is believed that the policy has not been applied correctly. The appeal meeting will be supported by either a “nominated officer” or “senior nominated officer”. Matters of policy and law will be confirmed by either of the a “nominated officers”

The applicant will be allowed to submit in writing additional or new information/evidence to support the application.

If an unsuccessful applicant requests an appeal, they will still need to continue to pay their business rates. Once the appeal has been heard, the ratepayer will be informed, in writing, of the decision.

Although the amount of relief is restricted to a maximum of **10%** 'top up' if receiving 80% Mandatory Relief and **80%** for Discretionary awards (non-funded), in very exceptional circumstances, **100%** Discretionary Rate Relief may be awarded. This would be assessed on a case by case basis and approved by a "nominated officer" supported by an Executive Member.

Every appeal for Discretionary Rate Relief must be supported by their ward Councillor via letter or email as part of the appeal process. This must be sent for the attention of the "nominated officer" taking ownership of the case.

The right of appeal process does not affect a ratepayer's legal right to challenge the decision by way of a Judicial Review.

18. Policy Review / Amendments

- The Council reserves the right to review the policy at any time.
- All new temporary measures will receive approval from Executive Members or as required by law.
- Reliefs paid under "temporary measures" will not require approval from a "nominated officer"
- Changes to this policy will be approved by an Executive Member

19. Communications

The Council will publicise this Discretionary Rate Relief Policy on the Website

20 Fraud

The Council is committed to reducing fraud in all its forms. An organisation which tries to fraudulently apply for discretionary rate relief by falsely declaring their circumstances, or providing a false statement or evidence in support of their application, may have committed an offence under the Theft Act 1968. Where we suspect that such a fraud may have occurred, the matter will be investigated in line with the Council's Anti-Fraud Strategy. This may lead to criminal proceedings being instigated.

Appendix A

One or more of the scoring matrixes, listed below, will be applied to each application:

- | | |
|---|---|
| 1 Reserves as a Percentage of Net Annual Rates | - up to 30% Discretionary Relief |
| 2 Licensed Bar | - up to 30% Discretionary Relief |
| 3 Net Profit | - up to 80% Discretionary Relief |
| 4 Local Community Test | - up to 50% Discretionary Relief |
| 5 Except in the case of National Charity Shops, where an organisation is receiving Mandatory Relief Of 80% and would have otherwise qualified for 100% Small Business Rate Relief | - Discretionary Relief up to 100% of the remaining business rate bill |

Failure to supply adequate records will result in no award

**** The absolute maximum award for 1 – 4 above is 80% even if the scores are greater ****

Rural Settlements List

PARISH	RURAL SETTLEMENT
Bicknoller	Bicknoller
Brompton Ralph	Brompton Ralph
Brompton Regis	Brompton Regis
Brushford	Brushford
Carhampton	Carhampton
Carhampton	Blue Anchor
Clatworthy	Clatworthy
Crowcombe	Crowcombe
Cutcombe	Wheddon Cross
Cutcombe	Cutcombe
Dulverton	Dulverton
Dunster	Dunster
Dunster	Dunster Marsh
East Quantoxhead	East Quantoxhead
Elworthy	Elworthy
Exford	Exford
Exmoor	Simonsbath
Exmoor	Sandyway
Exton	Exton
Exton	Bridgetown
Holford	Holford
Huish Champflower	Huish Champflower
Kilve	Kilve
Luccombe	Luccombe
Luxborough	Luxborough
Monksilver	Monksilver
Nettlecombe	Nettlecombe
Oare	Oare
Old Cleeve	Old Cleeve
Old Cleeve	Bilbrook
Old Cleeve	Washford
Old Cleeve	Hungerford
Old Cleeve	Roadwater
Porlock	Porlock
Sampford Brett	Sampford Brett
Selworthy & Minehead Without	Bratton
Selworthy & Minehead Without	Bossington
Selworthy & Minehead Without	Allerford
Selworthy & Minehead Without	Selworthy
Selworthy & Minehead Without	Tivington
Skilgate	Skilgate
Stogumber	Stogumber
Stogursey	Shurton
Stogursey	Stogursey
Stringston	Stringston
Timberscombe	Timberscombe
Treborough	Treborough
Upton	Upton
West Quantoxhead	West Quantoxhead
Williton	Williton
Williton	Doniford
Winsford	Winsford
Withycombe	Withycombe
Withycombe	Rodhuish
Withypool	Withypool
Withypool	Hawkridge
Wootton Courtenay	Wootton Courtenay

Funding of Reliefs

With the introduction of the Business Rates Retention Scheme from 1st April 2013, local authorities now share in the gains and losses associated with changes in Business Rates income. The Government hopes that localising Business Rates in this way will incentivise Local Authorities to adopt strategies to promote businesses and generate additional Business Rates income. The introduction of Business Rates Retention has a major impact on the funding arrangements for all Reliefs available which are now financed as follows:

50% by Central Government

40% by West Somerset Council

10% by Somerset County Council

1% Devon Fire

This excludes Transitional, Retail, Flooding Relief, Long Term Empty Property Relief and New Build Empty Property Relief which are financed at 100% by Central Government.

Rate Relief claim form

Revenues and Benefits

PO Box 866

Taunton

TA1 9GS

Tel: 0300 304 8000

Monday-Friday 8am to 6pm

Date

Account number

Information and guidance notes

Information on the different ways you may be able to reduce your Business Rates bill is shown on pages 2, 3 and 4.

How to fill in this form

Please return the claim form in full. Do not remove any pages.

After completing Part 1 you must complete other parts of the form to claim the relief you need.

You can apply for more than one type of one relief.

Fill in the form using black ink. If you make a mistake, cross it out and put the right answer next to it.

Do not use correction fluid or tape. Answer **Yes** or **No** questions by putting a tick ✓ in the relevant box. If you are picking an answer from a list, tick ✓ the box that applies to you.

If you find the form difficult to fill in, please contact us.

Everyone must complete Part 1 of this form.

You can claim more than one type of Rate Relief. You will need to complete:

- **Part 2** - for Small Business Rate Relief
- **Part 3** - for Rural Rate Relief
- **Part 4** - for Sports Club Rate Relief
- **Part 5** - for Charity Rate Relief
- **Part 6** - for Non-Profit Making Organisations Rate Relief
- **Part 7** - for Hardship Relief
- **Part 8** - for Local Business Rate Discount
- **Part 9** - for Local Newspapers

If we need supporting documents we will tell you in each section.

If there is not enough space to tell us about your circumstances, give us details on a separate sheet of paper and send it with the form.

We can arrange a **private appointment** with you to help you with your claim. Contact us if you would like to arrange an appointment.

Please return your completed form to: Somerset West and Taunton Council, PO Box 866, Taunton, TA1 9GS

Small Business Rate Relief

If a business is **not** entitled to another Mandatory Relief, the business may get Small Business Rate Relief. From 1 April 2017, eligible businesses with a rateable value of up to £12,000 are entitled to 100% relief. If the rateable value is between £12,001 and £15,000, the business will be entitled to relief on a sliding scale between 100% and 0%.

Small Business Rate Relief is available at 100% for ratepayers who occupy single properties with a rateable value of up to £12,000. If eligible ratepayers have a property with a rateable value from £12,001 to £15,000, relief is available on a sliding scale from 100% to 0%, where every £30 rateable value equates to 1%. For example, if a property has a rateable value of £14,250, we could award relief of 25%, while we could discount business rates for a property with a rateable value of £12,750 by 75%.



Small Business Rate Relief is only available to:

- Rate payers with only one business property with a rateable value of less than £15,000; or
- Ratepayers occupying a main property with a rateable value of less than £15,000, but also occupying other properties each with rateable values under £2,900, and the total rateable value of them does not exceed £19,999. We can only award relief on the property with the highest rateable value.

Rural Rate Relief

You could get Mandatory Rural Rate Relief of 100% off your Business Rates if your business is in a rural area with a population below 3,000. The property has to be occupied and you can only get relief if your business is in an area where it is the **only**:

- village shop, general store, specialist food shop or Post Office with a rateable value of up to £8,500
- public house or petrol station with a rateable value of up to £12,500

If a rural business does not receive Mandatory Rural Rate Relief, we can still consider Discretionary Rural Rate Relief if the premises have a rateable value of less than £16,500. We will treat each business on its merits looking at the contribution and importance of the business. We will consider the service the organisation provides to the community and if the business meets with the Council's Vision in "**Working with our communities to keep Somerset West and Taunton a great place in which to live, work, learn and enjoy**".

We will decide Discretionary Rural Rate Relief on a case by case basis by considering the following:

- Any award of Discretionary Rural Rate Relief must be in the best interests of local residents and taxpayers;
- If the business supplies goods or services essential to the day-to-day needs of the local community, e.g. food, fuel, or provision of social or welfare facilities;
- The effect on the local community if the business was to close, for example significant travel for alternative supply or are there other businesses locally;
- If the business employs a significant number of employees from the local community and the alternative employment prospects;
- The percentage of the local community using the facilities and any extra services the organisation provides;
- The organisation's financial position and the extent the organisation supports other local businesses.



In general, we will award 100% Discretionary Rural Rate Relief to sole Post Offices with a rateable value between £8,500 to £16,500 as they provide a valuable service and are a focal point for the community. For sole remaining village or general stores, public houses and filling stations with a rateable value between £12,500 to £16,500, we will usually award 80% Discretionary Rural Rate Relief. However, when considering food stores, we will look at the number of similar businesses in the settlement when deciding on any award.

Sports Clubs and Registered Community Amateur Sports Clubs (CASCs)

We will award 80% Mandatory Relief from Business Rates to Community Amateur Sports Clubs (CASCs) eligible to be a registered club for the purposes of Schedule 18 to the Finance Act 2002.

We will grant up to 20% top-up Discretionary Rate Relief to sports clubs that are either registered as a CASC or where we consider them to be a charity. For Discretionary Rate Relief a sports club is one meeting the following condition:

- A facility wholly or mainly used for purposes of recreation, and all or part of it is occupied for the purposes of a club, society or other organisation not established or conducted for personal or private profit.

Any award of Discretionary Rate Relief must be in the best interests of local residents and taxpayers. We will consider applications from CASCs and sports clubs on their own merits and will assess relief using a scoring matrix. If a CASC fails to achieve a sufficient score against this matrix, we will only award Mandatory Relief.

Charities

Registered charities can claim 80% Mandatory Relief from Business Rates if they meet the following conditions:

- A registered charity or trustees for a registered charity must occupy the business property
- The business property must be wholly or mainly used for charitable purposes.

Some organisations are exempt from registration but we will treat them as established for charitable purposes. These organisations are:

- The Church Commissioners (or any institution administered by them);
- Units of the Boy Scouts or Girl Guides;
- Any registered society within the meaning of the Friendly Societies Act 1896-1974;
- Voluntary schools within the meaning of the Education Act 1944-1980.

Charity shops are entitled to 80% relief if they use premises:

- Wholly or mainly for the sale of goods donated to the charity; and,
- Where the net proceeds from the sale of goods are applied to the purpose of the charity.

Our interpretation of "mainly" will be on the basis of "more than half". To satisfy "mainly", this will be if the net sales income from donated goods exceeds sales income from bought in goods.

We can grant up to 20% extra "top up" relief from business rates at our discretion. We will award Discretionary Relief for charities on the basis of a tapering system, graded against that organisation's contribution to Council's Vision in "**Working with our communities to keep Somerset West and Taunton a great place in which to live, work, learn and enjoy**".

We will consider top up relief for organisations that demonstrate:

- Clear evidence of need, of wide community reach, and a material contribution to Somerset West and Taunton's vision - Discretionary Relief of 10% to 20%
- Limited evidence of need, of community reach, and some material contribution to Somerset West and Taunton's vision - Discretionary Relief of 0% to 10%

We will **not** give Discretionary Relief to:

- Public (fee paying) schools; or
- Charitable bodies where there is no evidence of need, very restricted community reach, and no material contribution to the Council's Vision.



Not-for-Profit Organisations and Social Enterprises

We can award up to 100% Discretionary Rate Relief to an organisation or institution that is not established or conducted for personal or private profit and whose objectives are designed to deliver local community benefit and are either:

- Charitable, philanthropic, religious, educational or concerned with social welfare, science, literature or the fine arts
- An organisation we consider to be a Community Interest Company (CIC) or Social Enterprise

A Community Interest Company (CIC) is a type of company, designed primarily for social enterprises that want to use their profits and assets for the public good. CIC's are particularly attractive to those wishing to enjoy the benefits of limited company status and want to make it clear they are established for the benefit of the community, but are not able, or do not wish to become charities. We decide applications for Discretionary Rate Relief for not for-profit organisations and CICs on a case by case basis, considering the organisation's contribution and benefit to the local community and the contribution to Council's Vision to keep Somerset West and Taunton a great place in which to live, work, learn and enjoy. Any Discretionary Relief awarded must be in the best interests of the local residents and taxpayers.

Hardship Relief

We have discretion to give hardship relief but as it is subsidised by local Council Tax payers, **we will only consider an award in the most exceptional of cases.** The purpose of Hardship Relief is to provide short term help to businesses suffering exceptional hardship through circumstances beyond their control and outside of the normal risks associated with running a business of that type. **It is not a financial prop for a failing business.**

Applicants must be able to demonstrate they have investigated all other avenues of financial assistance before claiming for Hardship Relief. We will consider an award of Hardship Relief only where it is in the best interests of local residents and taxpayers.

We will need to see the accounts for the last two years as well as projections of the current year's trading.

Any award will be on the basis of a tapering system and in consideration of the number of employees affected and the threat to the viability of the business should an award not be made.



Local Business Rate Discount

We have the discretion to grant a Local Business Rate Discount for a fixed period to any ratepayer who does not meet the criteria for any other form of rate relief. We will consider applications on the individual merits of the case. The ratepayer must:



- Provide facilities to certain priority groups such as elderly, disabled, minority or disadvantaged groups; or
- Provide significant employment or employment opportunities to residents of Somerset West and Taunton

The business must also provide residents with such services, opportunities or facilities that cannot be obtained locally, or are not provided by another organisation. The ratepayer must show the organisation will comply with all legislative requirements and operate in an ethical, sustainable and environmentally friendly manner.

While organisations may meet all the criteria, Somerset West and Taunton does not commit to any award of Local Business Rate Discount if it does not consider it to be reasonable to do so and in the best interest of local taxpayers. Any award we make will have due regard to the financial status of the applicant and the impact on, and best interests of our Council Tax payers.

We will not award relief to organisations where a bar is the main activity. Any relief awarded will range from 0% to 100% of the ratepayer's liability.

Rate Relief for Local Newspapers

We can discount business rate bills by up to £1,500 in 2017/18 and 2017/18 for office space occupied by local newspapers. There is a maximum of one discount for each local newspaper title and premises. The discount is likely to be subject to European State Aid de minimis rules. This bars a company from receiving more than €200,000 in State Aid across a rolling three year period.

Rate Relief claim form

*11670465

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Part 1. About your business and your declaration

Name of ratepayer

Name of organisation

Address of business to which this claim relates

Daytime telephone number

E-mail address

State the purpose or objective of the organisation

Business rates discounts are a form of state aid and we must know if the organisation has received or is receiving state aid. You must therefore complete the State Aid De Minimis Declaration below.

I confirm the organisation named above **has not received De Minimis aid** Yes No
in the last 3 financial years (this being the current financial year and the last two financial years)

If **No** to the previous question, I confirm the organisation named above **has received the following De Minimis aid** in the last 3 financial years (this being the current financial year and the last two financial years)

Organisation providing the	Value of assistance	Date of assistance	Nature of assistance

I am authorised to sign on behalf of the organisation named above. I understand the requirements of De Minimis (EC Regulations 1998/2006).

The organisation named above is not a business "in difficulty" as defined at 2.1 of the Community Guidelines and State Aid for Rescuing and Restructuring Firms in Difficulty (2004/C22/02) at the date of this declaration.

By signing below, I confirm I represent the organisation stated and the information set out above is accurate for the purposes of the De Minimis exemption.

Read this declaration carefully before you sign and date it. It is an offence to give false information.

- **I declare** the information I have given on this form is correct and complete.
- **I understand** if I give information that is wrong or incomplete, you may take action against me.
- **I agree** to tell the Council within 21 days of any change in my circumstances that may affect my entitlement to rate relief.

The ratepayer or a person authorised to sign for the ratepayer must sign this form.

Signature of ratepayer

Date

Full name of ratepayer

Your position

Part 2. Small Business Rate Relief

We award small business relief on a sliding scale. If your business qualifies, and has a rateable value of less than £12,000, you can get a 100% reduction off your bill. If the rateable value is between £12,001 and £15,000, your reduction decreases by roughly 1% for each £30 above £12,000. We work out small business rates relief on a daily basis. Your rateable value is shown on your bill. To qualify:

- Your main occupied property must have a rateable value (RV) below £15,000 or
- Additional occupied properties must have a RV below £2,900 and the total RV of all these added together is less than £20,000

If you qualify, we will only apply the reduction against the business rates for of your main property.

You will not get small business rates relief if you already get mandatory charity, or mandatory rural rate relief. This is because you cannot receive more than one type of relief.

Do you want to claim Small Business Rate Relief?

No

Go to Part 3

Yes

If **Yes**, which financial year or years do you want to apply for Small Business Rates Relief?

Do you occupy any other business premises?

Yes

No

If **Yes**, please tell us the addresses of the other business premises

Part 3. Rural Rate Relief

Do you want to claim Rural Rate Relief?

No

Go to Part 4

Yes

If **Yes**, please tell us the rural settlement the property is in

Is your business the only such business in the rural settlement?

Yes

No

Is the property used wholly or mainly as a general store?

Yes

No

Is the property used wholly or mainly as a post office?

Yes

No

Is the property used as a combined post office/general store only?

Yes

No

Is the property used as a public house?

Yes

No

Is the property used as a petrol filling station?

Yes

No

Is the property used wholly or mainly as a food shop?

Yes

No

If you sell food for human consumption or general household goods please write in the space provided which categories of goods you sell. Any other goods, including confectionary or fast-food, should be listed separately. Please indicate the proportion of your sales or floor space

Food for human consumption

Yes

No

% of sales or floor space

General household goods

Yes

No

% of sales or floor space

Other goods

Yes

No

% of sales or floor space

If you sell **other goods**, please give details of the types of other goods sold

If the property is a combined post office/general store please tell us the proportion of your business that is a post office or general store

 %

Part 3. Rural Rate Relief (continued)

Is the property used for any purposes other than a general store, post office, public house, petrol filling station or food shop?

Yes

No

If **Yes**, please give details of all other purposes for which the property is used

We can grant **Discretionary Rural Rate Relief** for any business with a rateable value of less than 16,500 in qualifying rural settlements.

Do you want to claim Discretionary Rural Rate Relief?

No

Yes

Go to Part 4

If Yes, how does your business benefit the local community and why do you consider your business is important to the maintenance of village life?

Use a separate sheet if required

Is there any other information you feel we should take into account when deciding on your claim?

Use a separate sheet if required

Documents needed to support a claim for Discretionary Rural Rate Relief

To support your claim, you must send us:

1. A letter supporting your claim from the Councillor responsible for the ward in which the organisation is located.
2. Copies of the organisation's Annual Accounts including Balance Sheet for the last 2 years.

Part 4. Sports Club Rate Relief

Registered Community Amateur Sports Clubs (CASC) can receive 80% mandatory relief from Business Rates. To qualify for relief as a CASC, a sports club must:

- be run as an amateur club;
- be open to the whole community;
- be a non-profit making organisation;
- aim to provide facilities and encourage people to take part in sport;
- be registered with the Her Majesty's Revenues & Customs (HMRC) as a CASC.

If you are not registered as a CASC and would like further information, please contact the Sports Club Unit at HM Revenues & Customs.

Do you want to claim Sports Club Rate Relief?

No

Yes

Go to Part 5

If **Yes**, is the organisation registered with the Inland Revenue as a Community Amateur Sports Club (CASC)?

Yes

No

Documents needed to support a claim for 80% relief as a CASC

To support your claim, you must send us:

1. A copy of Her Majesty's Revenue & Customs Registration document showing CASC status.

Part 4. Sports Club Rate Relief (continued)

We can grant up to 20% extra “top up” relief from business rates at our discretion

Do you want to claim “top up” relief as a Sports Club?

No

Go to Part 5

Yes

If **Yes**, please give the following information about the users of your service.

	Members	Non-members
Number of users of the service	<input type="text"/>	<input type="text"/>
One-off joining fee	£ <input type="text"/>	£ <input type="text"/>
Annual subscription	£ <input type="text"/>	£ <input type="text"/>
The proportion of these members / users who live within Somerset West and Taunton	<input type="text"/> %	<input type="text"/> %

If there is a club bar, is it routinely open to the public?

Yes

No

Are facilities advertised and made available to individuals or organisations other than club members?

Yes

No

Tell us how you actively encourage membership from **all** sections of the Community

Use a separate sheet if required

Tell us if there is any qualifying criteria for membership

Use a separate sheet if required

Documents needed to support a claim for “top up” relief as a Sports Club

To support your claim, you must send us copies of :

1. The club constitution to show the club is open to all sections of the community and is organised on an amateur non-profit making basis.
2. Income and expenditure accounts for the club (and bar if applicable) for the last 2 years.
3. Membership pricing policy/list.
4. Current or most recent season’s fixture lists or tables.
5. Any Child Protection and/or Equality policies.
6. Any codes of practice for coaches/officials, parents/carers or Junior Members.
7. Examples of lesson plans/resources the coaches use to deliver the training sessions.
8. Certificates of qualified coaches.
9. Any current affiliation letter for any recognised National Governing Body.
10. A letter supporting your claim from the Councillor responsible for the ward in which the organisation is located.
11. Public liability insurance and any individual liability insurance (e.g. coaches, officials).
12. Any School-Club Link Agreement or documented communication with at least one school.
13. Any Clubmark or equivalent accreditation.
14. Newsletters, screen shots from website and/or mailings (letter or e-mail).

Part 5. Charity Rate Relief

Do you want to claim Charity Rate Relief?

No
Yes

Go to Part 6

Is the organisation a Registered Charity?

Yes No

A *charitable body* is one set up in pursuit of a charitable purpose for public benefit

If **Yes**, please tell us your registered charity number

Is the organisation exempted from registration as a charity?

Yes No

Is the organisation recognised as a charity for Income Tax purposes?

Yes No

A *charitable body* is one set up in pursuit of a charitable purpose for public benefit

Does the organisation own the property?

Yes No

If **No**, please tell us who owns the property

Is the property currently occupied?

Yes No

If **No**, when the property is next in use, will it be used wholly or mainly for charitable purposes?

Yes No

For what purpose does your organisation use the premises (e.g. Offices, shop or community centre)?

If the property is a shop, are the goods sold wholly or mainly donated?

Yes No

If the property is a shop, give a description and source of the goods sold in the shop

Goods donated represents % of total sales

Goods purchased represents % of total sales

Goods manufactured represents % of total sales

Proportion of sale proceeds used for charitable purposes %

Are the proceeds of the sale of goods used for the purposes of the charity?

Yes No

Does the organisation work with, support or receive support from any other organisations or agencies (local or national)?

Yes No

If **Yes**, please give details

Use a separate sheet if required

Does the organisation provide facilities that indirectly relieve Somerset West and Taunton from doing so?

Yes No

If **Yes**, please give details

Use a separate sheet if required

Documents needed to support a claim for Charity Rate Relief

To support your claim, you must send us:

1. Evidence of any charitable status, such as a letter from HM Revenue and Customs (HMRC).
2. A copy of the Governing Document setting out the organisation's purposes and how the organisation is administered. This can be in one of several different forms including a Trust Deed, Constitution, Memorandum and Articles of Association, Will, Conveyance, Royal Charter, Scheme of the Charity Commissioners, or the Rules of the Organisation.
3. Copies of the organisation's Annual Reports (containing a brief summary of the main activities and achievements of the organisation) for the last 2 years.
4. Copies of the organisation's Annual Accounts including Balance Sheet for the last 2 years.

Part 5. Charity Rate Relief (continued)

We can grant up to 20% extra “top up” relief from business rates at our discretion.

We will **not** give “top up” relief to:

- Public (fee paying) schools;
- Charity Shops; or
- Charitable bodies where there is no evidence of need, very restricted community reach and no material contribution in keeping **Somerset West and Taunton a great place in which to live, work, learn and enjoy.**

Do you want to claim Discretionary Charity Rate Relief?

No
Yes

Go to Part 6

If you want to claim “Discretionary Charity Rate Relief you must demonstrate how the work of your organisation provides benefit to residents and taxpayers. Using the space below or on a separate sheet to accompany your application, tell us how your organisation contributes in keeping **Somerset West and Taunton a great place in which to live, work, learn and enjoy.**

Use a separate sheet if required

Documents needed to support a claim for Discretionary Charity Rate Relief

To support your claim, you must send us:

1. A letter supporting your claim from the Councillor responsible for the ward in which the organisation is located

Part 6. Non-Profit Making Organisations Rate Relief

Do HM Revenue & Customs class your organisation as a ‘not-for-profit’ organisation?

No
Yes

- An organisation falling under this category is one meeting the following conditions:
- Institutions/organisations that are not established or conducted for personal or private profit and whose objectives are charitable, philanthropic, religious or concerned with education, social welfare, science, literature or the fine arts and designed to deliver local community benefit.
- A registered Community Interest Company or Social Enterprise

Do you want to claim relief as a non-Profit Making Organisation?

No
Yes

Go to Part 7

If **Yes**, you must demonstrate how the work of your organisation provides benefit to residents and taxpayers. Using the space below or on a separate sheet to accompany your application, tell us how your organisation contributes in keeping **Somerset West and Taunton a great place in which to live, work, learn and enjoy.**

Use a separate sheet if required

Part 6. Non-Profit Making Organisations Rate Relief (continued)

Are your facilities made available to schools or for casual public sessions Yes No

Tell us how you actively encourage participation of your services from **all** sections of the Community

Use a separate sheet if required

Does your organisation provide training or education? Yes No

If **Yes**, please give details below

Use a separate sheet if required

Tell us the proportion of the users of your services living in Somerset West and Taunton %

Is the organisation affiliated to any local or national organisation? Yes No

If **Yes**, please give details below

Documents needed to support a claim for Non-Profit Making Organisations Rate Relief

- To support your claim, you must send us:
1. A copy of the Governing Document setting out the organisation's purposes and how the organisation is administered.
 2. Copies of the organisation's Annual Reports (containing a brief summary of the main activities and achievements of the organisation) for the last 2 years.
 3. Copies of the organisation's Annual Accounts including Balance Sheet for the last 2 years.
 4. A letter supporting your claim from the Councillor responsible for the ward in which the organisation is located.

Part 7. Hardship Relief

We have discretion to give hardship relief but as it is subsidised by local Council Tax payers, we will only consider an award **in the most exceptional of cases**. Hardship relief is **temporary** help to a viable business in short term difficulties. **See page 4 for more information.**

Do you want to claim Hardship Relief? No **Go to Part 8**
Yes

If **Yes**, you will need to set out on a separate sheet

- The nature of the hardship and its cause
- The number of employees affected
- The detrimental effect that paying business rates is having

Documents needed to support a claim for Hardship Relief

- To support your claim, you must send us the following information:
1. Business forecast for the next 12 months.
 2. Copies of the organisation's Annual Reports for the last 2 years.
 3. Copies of the organisation's Annual Accounts including Balance Sheet for the last 2 years.
 4. Details of any Court Orders, CCJ and any credit information relating to the business.
 5. Current list of creditors and debtors.
 6. Evidence the business or organisation provides valued local community facilities that may not be available elsewhere locally (for example: use of rooms or services).
 7. A letter supporting your claim from the Councillor responsible for the ward in which the business is located.

Part 8. Local Business Rate Discount

To claim Local Business Rate Discount your organisation must meet **all** the following criteria:

- The ratepayer must not be entitled to Mandatory Rate Relief (Charity or Rural Rate Relief)
- The ratepayer must not be an organisation that could receive relief as a non-profit making organisation or as Community Amateur Sports Club.
- The ratepayer must occupy the premises - no relief will be granted for unoccupied properties
- The premises and the organisation must be of significant benefit to local residents
- The ratepayer must provide facilities to certain priority groups such as elderly, disabled, minority or disadvantaged groups or provide significant employment or employment opportunities to residents of Somerset West and Taunton
- Provide residents of Somerset West and Taunton with such services, opportunities or facilities that cannot be obtained locally or are not provided by another organisation
- The ratepayer must show the organisation will comply with all legislative requirements and operate in an ethical, sustainable and environmentally friendly manner at all times
- Relief will not be given to those organisations where a bar is the main activity

Do you want to claim Local Business Rate Discount?

Yes No

If **Yes**, is the property currently occupied?

Yes No

Is a bar is the main activity of the organisation?

Yes No

In the space below, tell us of the benefits that you bring to Somerset West and Taunton residents

Use a separate sheet if required

In the space below, tell us about any facilities your organisation provides to priority groups such as elderly, disabled, minority or disadvantaged groups

Use a separate sheet if required

In the space below, tell us about any significant employment or employment opportunities your organisation gives to residents of Somerset West and Taunton

Use a separate sheet if required

Documents needed to support a claim for Local Business Rate Discount

To support your claim, you must send us the following information:

1. Business forecast for the next 12 months.
2. Copies of the organisation's Annual Reports (containing a brief summary of the main activities and achievements of the organisation) for the last 2 years.
3. Copies of the organisation's Annual Accounts including Balance Sheet for the last 2 years.
4. A letter supporting your claim from the Councillor responsible for the ward in which the business is located.

Part 9. Rate Relief for Local Business Newspapers

We can grant only one discount of £1,500 in 2017/18 and 2018/19 for each local newspaper title or premises. No relief is available for magazines.

Do you want to claim Rate Relief as a Local Newspaper?

Yes No

If **Yes**, is the property currently occupied?

Yes No

Tell us the name or title of the newspaper?

Impact Assessment form

What are you completing this impact assessment for? E.g. policy, service area

Revenues & Benefits Service

Discretionary Rate Relief Policy

Section One – Aims and objectives of the policy /service

Introduction

As part of its role in the administration of National Non Domestic Rates (NNDR) (more commonly referred to as business rates and referred to as such in this document), the Council has several areas where it can exercise its discretion to provide reductions to the amounts of business rates that are due to be paid.

Changes to local government finance now mean that the income from business rates more directly impacts on the Council's financial position. As part of the central government funding process for local authorities, Councils now retain 50% of all business rates income collected. Under the previous scheme, business rates income was paid into the government's central pool and redistributed back out to local authorities based on a formula grant.

This policy document outlines the areas of local discretion and the Council's approach to the various discounts. This approach is cognisant of the impact on both the Council's wider financial position and Council tax payers, and on the organisations and businesses that may apply for discounts and their role in supporting West Somerset residents.

Discretionary Rate Relief Scheme

The Local Government Finance Act 1988 requires the Council to maintain a Discretionary Rate Relief.

Scheme to award business rates relief of up to 100% to certain organisations which operate within specified criteria.

The above includes:

- Charitable bodies (receive Mandatory 80% relief) – the Council has further discretion to 'top up' this relief to 100% of the rates due.
- Registered Community Amateur Sports Clubs (CASCs) (receive Mandatory 80% relief) – the Council has further discretion to 'top up' this relief to 100% of the rates due.
- Non-profit making organisations – the Council has discretion to grant 'standard' Discretionary Rate Relief of between 0-100% of the business rates due.

Hardship Relief

The Council is able to exercise its discretion under Section 49 of the Local Government Finance Act 1998 to reasonable to do so having due regard to the interests of Council tax payers in general.

The Council will consider applications for hardship relief from organisations based on their own merits on a case by case basis.

Applications will be considered by the 151 Officer or her nominated representative. When deciding whether to award hardship relief, as well as being confident that the organisation is experiencing hardship, the principle consideration will be that any relief is in best interests of the taxpayers of West Somerset Council, as the Council must bear the cost of any relief granted.

Local Business Rate Discount

Section 69 of The Localism Act 2011 amends Section 47 of the Local Government Finance Act 1988 and allows the Council to grant locally determined business rate discounts (in addition to the already available Discretionary Rate Reliefs).

The new power recognises that the current business rates scheme is broadly prescribed by central government and its aim is to provide increased flexibility to local authorities to support organisations, recognising the variations in economic conditions across and within local authority boundaries.

The Council will consider applications from organisations for discounts under Section 69 based on their own merits on a case by case basis.

Applications and review process

All applications for Discretionary discounts should be made in writing. The Council may also require evidence to support applications.

For areas of Discretionary relief the 151 Officer or her nominated representative's decision is final. However, if an applicant is dissatisfied with this outcome they can ask for a review and the decision will be reviewed, where necessary taking into account any additional or new information or evidence to support the application.

Award periods

All areas of Discretionary relief will normally be granted for up to one financial year and if necessary will be subject to an annual review process

Section two – Groups that the policy or service is targeted at

We have a statutory duty to provide our services regardless of the gender, sexual orientation, religion or belief or ethnicity of the customer. People of all ages will be our customers.

The granting of Discretionary relief is not an entitlement. Any relief granted will be a benefit to the organisations involved. The criteria for assessing applications are directly related to the priorities of the Council which should include giving 'Due Regard' to the Equality Duty. The overall policy and its application will be kept under review.

In the assessment of applications for Discretionary relief, the Council will have due regard to the extent to which the applicant organisation delivers benefits and outcomes for people with protected characteristics and the degree to which it reduces inequalities for all members of the community that use its facilities / services.

Section three – Groups that the policy or service is delivered by

Somerset West and Taunton Council's Revenues & Benefits Service.

Section four – Evidence and Data used for assessment

Information on the number of organisations accessing the current Business Rate Relief Scheme.

The number of organisations accessing the scheme is 178

The total amount of reductions given through the current Business Rate Relief Scheme.

Section Five - Conclusions drawn about the impact of service/policy/function on different groups highlighting negative impact or unequal outcomes

The Discretionary Business Rate Relief Scheme is not targeted toward any of the seven protected equality characteristics.

Age and Disability related groups and organisations would be most affected; however not to the extent that it outweighed the impact on other groups. As many of these organisations including those whose properties were used as charity shops operate on a national level, it is anticipated that the impact will be managed at that level and the overall effect locally will therefore be minimal.

In reviewing the policy Somerset West and Taunton Council has taken this opportunity to ensure Discretionary Rate Relief is focused on those organisations most in need and of most benefit to our Community. The aim is to ensure that we continue to support smaller groups, whilst maintaining focus on those groups of most benefit to the local community. This supports our on-going commitment in all areas and services to provide best value.

The criteria laid down to apply for Discretionary Rate Relief (DRR) are non-discriminatory. In terms of the groups accessibility criteria, they are positive in that they encourage the training and development of young people, and ensure that any group accessing DRR has a low barrier to access in terms of its membership

fees, so as not to be disadvantageous to people on low incomes (e.g. young people or the elderly). Similarly, organisations must encourage membership from all sections of the community.

This analysis therefore concludes that the Discretionary Business Rate Relief Scheme does not demonstrate a disproportionate impact relating to race, disability, Gender, age, sexual orientation, religion and belief, marriage and civil partnership and carers. As the policy will be applied consistently regardless of the gender, sexual orientation, religion or belief or ethnicity of the customer, there should be no negative or unequal outcome on different groups.



Department for
Communities and
Local Government

Non-Domestic Rates Team
LGF BRS
SE Quarter - 2nd Floor
Fry Building
2 Marsham Street
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9 March 2017

Email: ndr@communities.gov.uk

Chief Finance Officers of English Billing Authorities

FOR THE ATTENTION OF THE BUSINESS RATES SECTION

Dear Chief Finance Officer

Business Rates Information Letter (2/2017): Spring Budget

This is the second business rates information letter to be issued by the Department for Communities and Local Government this year. Previous letters are available on the internet at:

<https://www.gov.uk/government/collections/business-rates-information-letters>

or for archived letters:

<http://webarchive.nationalarchives.gov.uk/20120919132719/http://www.communities.gov.uk/localgovernment/localgovernmentfinance/businessrates/busratesinformationletters/>.

- **Supporting Small Businesses**
- **New Discretionary Relief Scheme**
- **New Business Rate Relief Scheme for Pubs**

Supporting Small Businesses

In the Spring Budget the Chancellor announced that a scheme of relief would be made available to those ratepayers facing large increases as a result of the loss of small business or rural rate relief.

The transitional relief scheme does not provide support in respect of changes in reliefs. Therefore, those ratepayers who are losing some or all of their small business or rural rate relief may be facing very large percentage increases in bills from 1 April 2017.

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. To support these ratepayers, the supporting small businesses relief will ensure that the increase per year in the bills¹ of these ratepayers is limited to the greater of:

- a cash value of £600 per year (£50 per month). This cash minimum increase ensures that those ratepayers currently paying nothing or very small amounts are brought into paying something, or
- the matching cap on increases for small properties in the transitional relief scheme².

The note at **Annex A** provides initial guidance to authorities about the operation and delivery of this policy. It is concerned with simple cases in 2017/18 only, allowing local authorities to quickly start the process of identifying those who stand to benefit. The number of ratepayers affected in each local authority is likely to be small and authorities are encouraged to inform the ratepayers affected that relief will be forthcoming.

Formal guidance on the operation of the scheme including more complex cases and future years will follow.

Discretionary Relief Scheme

At the Spring Budget the Government announced the establishment of a £300m discretionary fund over four years from 2017-18 to support those businesses that face the steepest increases in their business rates bills as a result of the 2017 revaluation.

The intention is that every billing authority in England will be provided with a share of the £300m to support their local businesses. Billing authorities will be expected to use their share of the funding to develop their own discretionary relief schemes to deliver targeted support to the most hard-pressed ratepayers. The £300m will cover the four years from 2017/18:

- £175m in 2017/18
- £85m in 2018/19
- £35m in 2019/20
- £5m in 2020/21

¹ Prior to the Business Rates Supplement (2p for properties in London with a rateable value of more than £70,000) and City of London multiplier (which is 0.5p higher for all properties in London). The level of these supplements are unchanged at the revaluation but changes in the amounts paid through the supplements are outside the transitional relief scheme.

² 5%, 7.5%, 10%, 15% and 15% 2017/18 to 2021/22 all plus inflation.

The Government expects that billing authorities will deliver the scheme through the use of their discretionary relief powers under section 47 of the Local Government Finance Act 1988, as amended. Billing authorities will be compensated through a Section 31 grant for the cost to the authority of granting the relief – up to a maximum amount based on the authority's allocation of the £300m fund. No new legislation will be required to deliver the scheme.

DCLG published a consultation on the design of the discretionary relief on 9 March, seeking views on the allocation of the fund, arrangements for compensation for local authorities, and the operation of local schemes:

<https://www.gov.uk/government/consultations/discretionary-business-rates-relief-scheme>

Support for Pubs

The Government has also announced a new relief scheme for pubs that have a rateable value of below £100,000. Under the scheme, eligible pubs will receive a £1000 discount on their bill. DCLG plans to publish a consultation on the operation of the relief scheme for pubs shortly. The relief will have effect for 2017/18.

Local authorities will be expected to use their discretionary relief powers (under section 47 of the Local Government Finance Act 1988, as amended) to grant this new relief for pubs in line with the relevant eligibility criteria. They will be compensated for the cost of granting the relief through a Section 31 grant from Government. No new legislation will be required to deliver the scheme.

Administration and Communication of New Reliefs

We expect billing authorities to have in place clear and swift arrangements for communicating with ratepayers both on the confirmed and likely terms of the new schemes for relief covered by this BRIL, as well as on the anticipated timescale for billing or re-billing, where applicable. This should include but not be limited to having sufficient capacity in place to deal with enquiries from ratepayers in a timely fashion, and well as directing ratepayers to appropriate online resources in any communications.

DCLG will work with local government to implement the new reliefs as quickly as possible. ***As part of this, we would be grateful if billing authorities could provide the following key information on local arrangements to implement the schemes:***

1. What initial estimates you have made of the number of ratepayers that will be eligible for the small business scheme and pubs scheme in your area

2. Whether your authority has already issued 2017/18 bills (and will therefore be re-issuing bills as necessary)
3. When you intend to issue amended bills, if applicable

Please send responses to NDR@communities.gsi.gov.uk by 20 March 2017.

Government Response on Check, Challenge, Appeal

The government has now published the summary of responses and government response to the consultation on the statutory implementation of the reforms to business rate appeals. The response confirms the government's plan to introduce the new 'check, challenge, appeal' framework from April 2017:

<https://www.gov.uk/government/consultations/reforming-business-rates-appeals-draft-regulations>

Annex A

Initial Guidance on Supporting Small Businesses Relief

Introduction

1. For 2016/17, eligible ratepayers³ with a rateable value less than or equal to £6,000 are entitled to 100% small business rate relief. Those with a rateable value of between £6,000 and £12,000 enjoy tapered relief from 100% to 0%. Following the measures in the 2016 Budget, we are increasing these thresholds from 1 April 2017 to £12,000 for the 100% relief and £15,000 for the tapered relief. This ensures that most ratepayers currently entitled to small business rate relief will pay less or nothing following the revaluation. However, some ratepayers that are facing large increases in their rateable value will lose some or all of their small business rate relief.
2. For 2016/17 the sole post office, general store, pub or petrol station in rural settlements are (subject to rateable value thresholds) entitled to 50% rate relief. This is increasing to 100% relief from 1 April 2017. However, some ratepayers currently eligible for rural rate relief may lose that entitlement if their rateable value increases above the threshold due to the revaluation.
3. The transitional relief scheme does not provide support in respect of changes in reliefs. Therefore, those ratepayers who are losing some or all of their small business or rural rate relief may be facing very large percentage increases in bills from 1 April 2017.
4. In the Spring Budget the Chancellor announced that a new scheme of relief would be made available to those ratepayers facing large increases as a result of the loss of small business or rural rate relief.
5. This note provides initial guidance to authorities about the operation and delivery of this policy. It is concerned with simple cases in 2017/18 only allowing local authorities to quickly start the process of identifying those who stand to benefit. The number of ratepayers affected in each local authority is likely to be small and authorities are encouraged to inform the ratepayers affected that relief will be forthcoming.
6. Formal guidance on the operation of the scheme including more complex cases and future years will follow. The government recognises it will take time to implement this measure and will require software changes. The government will work with local government to implement this measure and undertake a new burdens' assessment of the associated additional costs.

³ Businesses with more than one property are only eligible for small business rate relief if their additional property or properties all have rateable values of under £2,600, and the total rateable value of all their properties are below £18,000 (£25,500 in London).

How the relief will be provided?

7. The government is not changing the legislation around transitional relief⁴. Instead the government will, in line with the eligibility criteria for the scheme, reimburse billing authorities that use their discretionary relief powers, under section 47 of the Local Government Finance Act 1988, as amended⁵, to grant relief. Central government will fully reimburse local authorities for the local share of the additional transitional relief (using a grant under section 31 of the Local Government Act 2003). In view of the fact that such expenditure can be reimbursed, the government expects billing authorities to grant supporting small businesses relief to qualifying ratepayers.
8. Central government will reimburse billing authorities and those major precepting authorities within the rates retention system for the actual cost to them under the rates retention scheme of the relief that falls within the definitions in this guidance.

Who is eligible for the relief and how much relief will be available?

9. 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.
10. To support these ratepayers, the supporting small businesses relief will ensure that the increase per year in the bills⁶ of these ratepayers is limited to the greater of:
 - a. a cash value of £600 per year (£50 per month). This cash minimum increase ensures that those ratepayers currently paying nothing or very small amounts are brought into paying something, or
 - b. the matching cap on increases for small properties in the transitional relief scheme⁷.
11. In the first 2 years 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 will continue to stay flat in each year. 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 by year 5.

⁴ The Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016 No. 1265

⁵ Section 47 was amended by the Localism Act 2011

⁶ Prior to the Business Rates Supplement (2p for properties in London with a rateable value of more than £70,000) and City of London multiplier (which is 0.5p higher for all properties in London). The level of these supplements are unchanged at the revaluation but changes in the amounts paid through the supplements are outside the transitional relief scheme.

⁷ 5%, 7.5%, 10%, 15% and 15% 2017/18 to 2021/22 all plus inflation.

12. 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.
13. 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 scheme⁸. A change of ratepayers will not affect eligibility for the supporting small businesses relief but eligibility will be lost if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club.
14. There will be 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.
15. More detail on eligibility and the value of the supporting small businesses relief is below.

Eligibility for additional transitional relief

16. The supporting small businesses relief scheme applies to hereditaments for which:
 - a. the chargeable amount for 31 March 2017 is calculated in accordance with section 43(4B) or (6B),
 - b. in relation to 43(4B) the value of E is greater than 1,
 - c. the chargeable amount for 1 April 2017 is found in accordance with section 43(4), 43(4B), 43(6A) of the Local Government Finance Act 1988 or where regulations 12(3), 12(7) or 12(9) of the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016 No. 1265 applies, and
 - d. the chargeable amount for 1 April 2017 is more than (£600/365) higher than the chargeable amount for 31 March 2017.
17. Where for 31 March 2017 the chargeable amount has been found under section 47, then eligibility should be determined as if section 47 did not apply.
18. Where the hereditament is shown in a local list for the area of a special authority (i.e. the City of London), then eligibility should be determined

⁸ This will be the bill in the main transitional relief scheme.

as if the special authority's small business non-domestic rating multiplier was 48.4p for 2016/17 and 46.6p for 2017/18.

Value of the relief

19. Where the supporting small businesses relief scheme applies then DCLG will fund local authorities to award discretionary relief under section 47 of the 1988 Act in order to ensure the chargeable amount for 1 April 2017 and each day thereafter in 2017/18 (subject to any changes to the hereditament in the year) is:

a. chargeable amount for 31 March 2017

plus

b. $(£600/365)$

20. Where hereditament is shown in a local list for the area of a special authority (i.e. the City of London) then the chargeable amount for 1 April 2017 and each day thereafter in 2017/18 (subject to any changes to the hereditament in the year) is:

a. chargeable amount for 31 March 2017 (on the assumption that the special authority's small business non-domestic rating multiplier was 48.4p for 2016/17)

plus

b. $(£600/365)$

plus

c. $((D_{sa} - D) \times N)/C$

where:

D_{sa} is the small business non-domestic rating multiplier of the special authority for 2017/18;

D is 0.466;

N is the rateable value shown for the hereditament in a local list for the relevant day; and

C is 365.

21. Further guidance will follow for circumstances where the rateable value or the hereditament changes with effect from after 1 April 2017 and for later years.