

## **Non-Domestic Rates - Mandatory and Discretionary Rate Relief Policy (updated 2025)**

The Local Government Finance Act 1988 requires local authorities to grant “Mandatory rate relief” to the following categories of Non-Domestic ratepayer:

- Registered charities
- Village Post Offices, general stores, specialist food shops, public houses, and petrol filling station – where they are in a designated rural settlement.
- Registered Community Amateur Sports Clubs (CASCs)

The Local Government Finance Act 1988 also gives local authorities the power to grant “Discretionary rate relief” as follows:

- To make a further award on top of mandatory relief granted to registered charities.
- To village Post Offices, general stores, qualifying food stores, public houses, and petrol filling stations – where they are in a designated rural settlement.
- To make a further award on top of mandatory relief granted to registered Community Amateur Sports Clubs (CASCs)
- In respect of sports grounds and clubs
- To other non-profit making organisations

The Local Government Finance Act 1988 also gives local authorities the power to reduce or remit the amount of rates liable to be paid on the grounds of hardship. Where the authority is satisfied that it is in the interests of its Council Taxpayers.

The Local Government Act 2003 introduced the small business rate relief scheme.

The Localism Act 2011 (clause 69) introduced a further general power for local authorities to reduce the business rates of any local ratepayer (not just those who could previously be granted discretionary relief), where the authority is satisfied that it is in the interests of its Council-Tax payers.

### **Policy Aim**

This policy sets out the Council’s intentions for dealing with discretionary rate relief applications from Charities, Community Amateur Sports Clubs (CASC’s), Non-Profit Making Organisations, and other businesses which are situated within the South Norfolk Council area.

Through this policy, the Council is providing a mechanism to reduce or remove the business rates liability for such charities, non-profit making organisations, certain rural

businesses providing valuable facilities and services to communities within the area, and other businesses.

This policy aims to provide clarity around the process of administration of applications for Discretionary Rate Relief, consistency in the application of the policy and to ensure maximum take-up from potential qualifying organisations, which will in turn contribute to achieving the Council's ambitions for the district.

## **Part 1 – Mandatory reliefs (government specified)**

### **Mandatory Rate Relief for registered charities.**

Mandatory relief applies to registered charities or trustees for a charity where the rated premises are used wholly and mainly for charitable purposes. In the case of charity shops, they must sell goods that have been donated to the charity (this condition is also necessary for discretionary relief.) The relief allowed is 80%.

### **Mandatory Rate Relief for registered Community Amateur Sports Clubs (CASCs)**

Sports clubs that have registered with the Inland Revenue as Community Amateur Sports Clubs are entitled to 80% relief.

### **Mandatory Rural Rate Relief for village post offices, general stores, specialist food shops, public houses, and petrol filling stations.**

The rural business must be in a rural settlement area (detailed in a settlement list) that has a population of 3,000 or less.

- a) Sole post offices and general stores with a rateable value of £8,500 or less are entitled to 100% relief.
- b) Any village shop that wholly or mainly sells food for human consumption but excludes restaurants, tearooms, fast or hot food shops and confectionary shops with a rateable value of £8,500 or less are entitled to 100% relief.
- c) Where there is only one public house in a rural settlement, which has a rateable value not exceeding £12,500, there is an entitlement to 100% relief.
- d) Sole petrol filling stations with a rateable value of £12,500 or less are entitled to 100% relief.

### **Small Business Rate Relief**

An organisation cannot qualify for Small Business Rate Relief (SBRR) if eligible for one of the mandatory rate reliefs above.

From April 2017 small business rate relief of 100% applies to eligible premises with a rateable value of not more than £12,000, decreasing on a sliding scale up to a threshold of not more than £15,000.

The relief is only available to ratepayers with either one property in England, or one property and additional properties with rateable value totalling not more than £2,899.

Where a business takes on an additional property that would normally have meant the loss of small business rate relief, they are allowed to keep the relief on the first property for a period of 12 months.

## **Part 2 – Discretionary rate reliefs under local control**

All Discretionary Relief applications must be accompanied by a Small Business Rate Relief application where applicable.

Throughout this policy document (unless otherwise stated) it shall generally apply that discretionary relief will be awarded only up to a maximum sum of:

- £5,000 per registered charity or £4,000 per Community Amateur Sporting Club (CASC) in any financial year
- £12,000 per non-profit making organisation in any financial year (not charities or CASCs)

All qualifying businesses and organisations are required to notify The Council of any change in circumstances that may affect their entitlement to Discretionary Rate Relief.

### **Discretionary rate relief for premises occupied by youth organisations.**

Youth Organisations, which are registered charities, may apply for an additional 20% 'top-up' discretionary relief where 80% mandatory relief has been granted. Such organisations include Scouting groups, Guides, and other organisations such as Youth Activity Centres.

Applicants will need to demonstrate that the use of the premises is in furtherance of the objects of the charity, and that the property is wholly or mainly occupied by the charity.

Each application will be looked at on its own merits and it will be at the discretion of the Council whether or not to make an award of discretionary relief.

Properties occupied by Cadet Forces supported and administered by the Ministry of Defence will be entitled to 100% rate relief.

This category excludes any hereditaments occupied for sporting activities, which are dealt with separately.

### **Discretionary top-up relief for registered charities.**

Registered charities may apply for additional 'top-up' discretionary relief where 80% mandatory relief has been granted.

Applicants will need to demonstrate that the use of the premises is in furtherance of the objects of the charity, and that the property is wholly or mainly occupied by the charity.

Each application will be looked at on its own merits and it will be at the discretion of the Council whether or not to make an award of discretionary relief.

Discretionary charitable top-up relief will not usually be granted:

- 1) to charity shops, or
- 2) to Academy Schools
- 3) in respect of village halls or community halls that operate a bar
- 4) in respect of periods where any property is unoccupied (other than in the Enterprise Zone).
- 5) In respect of properties in an Enterprise Zone while other Discretionary Enterprise Zone Rate relief is available.

Discretionary rate relief for registered charities operating day-care nurseries is dealt with elsewhere in this policy.

### **Discretionary Relief for registered Community Amateur Sports Clubs (CASCs)**

Some sports clubs have registered with HM Revenue and Customs as Community Amateur Sports Clubs. CASCs qualify for 80% mandatory relief as set out in Part 1.

South Norfolk will upon application support CASCs by awarding a further 20% 'top-up' discretionary relief. This 'top-up' relief will be awarded up to a maximum of £4,000 per CASC per financial year.

### **Discretionary Relief for sports grounds and clubs.**

Support will be provided in respect of Business Rates on the sports grounds and associated facilities of local sports clubs (which are not registered CASCs). The clubs may apply for discretionary relief with the amount to be awarded generally being 75% of the rates due, with a few exceptions specified below.

### **Yachting/Sailing/boating/rowing/water sports clubs – 25%**

## **Golf clubs – nil rate relief**

### **Other premises occupied by sporting organisations.**

Where there are other premises occupied by sports organisations which are in the nature of:

- Offices from which sports are administered or organised.

- Facilities provided for the advancement of sports and recreation which are not the premises of a specified local sports club.

Relief will be provided at 75% up to a maximum award of £5,000 per financial year.

### **Discretionary Rural Rate Relief for village post offices, general stores, qualifying food shops, public houses, and petrol filling stations.**

The rural business must be in a designated rural settlement area that has a population of 3,000 or less. In each of the following cases South Norfolk Council will exercise its discretion to provide a 50% rate relief.

This will be calculated after the award of Small Business Rate Relief (where applicable).

- a) Where there is only one post office or general store which has a rateable value above £8,500 but not exceeding £16,500.
- b) A shop in a rural settlement which sells food for human consumption (excluding restaurants, tearooms, fast or hot food or confectionary shops) with a rateable value above £8,500 but not exceeding £16,500.
- c) The only public house in a rural settlement, which has a rateable value above £12,500 but not exceeding £16,500.
- d) Sole rural petrol filling stations with a rateable value above £12,500 but not exceeding £16,500.

The definition of a general store is a trade or business consisting wholly or mainly of the retail sale of both food for human consumption (excluding confectionary) and general household goods.

### **Discretionary Rate Relief – Childcare providers (Day Nurseries)**

Under the Localism Act (clause 69) the council will consider applications for Business Rate Relief from Day Care Nurseries which provide a benefit to the community by providing childcare facilities, providing their rateable value is below £35,000.

Businesses which are entitled to Small Business Rate Relief or Charitable relief must have pursued that avenue of assistance before applying for Discretionary Rate Relief.

The council will offer support to Day Nurseries as follows:

- a. Day-care Nurseries currently receiving 80% mandatory charitable rate relief to be topped up with 20% Discretionary Rate Relief.
- b. Day-care Nurseries not in receipt of mandatory charitable rate relief with rateable values up to £20,000 to receive 50% Discretionary Rate Relief.
- c. Day-care Nurseries not in receipt of mandatory charitable rate relief with rateable values between £20,001 and £35,000 to receive 25% Discretionary rate relief.

### **Non-domestic Rates discount**

The Localism Act 2011 (clause 69) introduced a general power for local authorities to reduce the business rates of any local ratepayer (not just those who could previously be granted discretionary relief). This is a wide power under which each case will need to be treated on its own merits. The key test is whether the authority is satisfied that it is in the interests of its Council-Tax payers to decide to award relief.

The general approach to the use of these discount powers will be to support a business as it looks to locate into the area or grow/invest into new or improved premises locally. The powers may on occasion be used to support a business through a period in its life cycle where it is under particular pressures and the Council wants to ensure the longer-term retention and growth of the business.

In considering whether to award a business rate discount the Council will particularly have regard to:

1. How a business links to the Norfolk & Suffolk Economic Strategy (NSES) of the Local Enterprise Partnership (LEP) and any strategies/delivery plans of the Council that are in place to drive economic growth locally. This could include whether the business operates in one of the key sectors in the NSES:
  - a. Advanced Manufacturing & Engineering
  - b. Life Sciences & Biotech
  - c. Financial Services & Insurance
  - d. Advanced Agriculture, Food & Drink
  - e. ICT, Tech & Digital Creative
  - f. Visitor Economy – Tourism, Heritage & Culture
  - g. Energy
  - h. Transport, Freight & Logistics
  - i. Construction & Development
2. Whether the award of a discount would support an increase in employment locally.

3. Whether it would support bringing a property/site back into use which may have been unoccupied for a significant period
4. Whether such a discount would help support a project bringing other benefits or regeneration locally
5. Whether the support would help a business locate onto a strategically important site, at a stage in the development of the site where it will help bring forward further development of the wider site.
6. Whether the ratepayer would help to establish a hub to attract other businesses to the area, or to a business cluster.
7. Whether by supporting investment in new or significantly expanded premises there will be an increase in rateable value that will generate additional rates income to fund local services in the longer-term
8. Whether the discount would support a new enterprise (<2 years) that has significant growth potential (in key sectors and emerging/growing markets)
9. Whether a ratepayer might offer employment initiatives such as apprenticeships, work placements etc.
10. Whether the ratepayer is already (or has previously been) in receipt of other forms of rate relief or has previously received a business rate discount.

### **Community Interest Companies (CICs)**

Community Interest Companies are a form of limited company designed specifically for those wishing to operate for the benefit of the community rather than for the benefit of the owners of the company. This means that a CIC cannot be formed or used solely for the personal gain of a particular person, or group of people.

CICs can be limited by shares, or by guarantee, and have a statutory “Asset Lock” to prevent the assets and profits being distributed, except as permitted by legislation. This ensures the assets and profits are retained within the CIC for community purposes, or transferred to another asset-locked organisation, such as another CIC or charity. A company that is a charity cannot be a CIC, unless it gives up its charitable status.

Under the Localism Act (clause 69) relief will be considered for Community Interest Companies which provide benefits to the local community and satisfy the following criteria:

- Are registered as a community interest company. (the Community Interest Company Register will be checked to confirm entitlement).

- The Articles of Association or Memorandum clearly state that any surplus of income over expenditure will be applied in a manner that ensures no profit is made.
- It is set up with the purpose of providing benefit to the local community or a section of the community.
- Businesses which are entitled to Small Business Rate Relief or Mandatory Charitable relief must have pursued that avenue of assistance before applying for Discretionary Rate Relief.

The council will support such organisations as follows:

- a. CICs with a rateable value of up to £20,000 - 80% discretionary rate relief
- b. CICs with a rateable value of between £20,001 and £30,000 - 50% discretionary rate relief.

Where a CIC occupies premises on one or more sites in the district area, that comprise more than one rating assessment, the rateable values of each will be added together when deciding whether relief is available under a or b above. If the combined rateable value is over £30,000 no relief will be available.

### **Discretionary Relief for other non-profit making organisations.**

#### **Village and Community Halls**

- a) Where the occupier is a registered charity and there is no bar at the premises an additional 20% discretionary relief may be applied for, on top of the 80% mandatory relief. No additional relief will be given if there is a bar.
- b) Where the occupier is a non-registered charitable group and there is no bar at the premises 100% discretionary relief will be given.
- c) Where the occupier is a non-registered charitable group and there is a bar at the premises 80% discretionary relief will be given.

#### **Voluntary Bodies**

Applications from non-registered charitable groups are to be considered on an individual basis.

Discretionary relief to a maximum of 100% is granted.

### **Conservation and Cultural Organisations**

Premises will include:

- Museums
- Rehearsal rooms or storage facilities for bands or dramatic societies
- Premises occupied for preservation projects.
- Premises occupied by Norfolk based wildlife groups.

In addition to the 'top-up' 20% discretionary relief granted to registered charities, 100% discretionary relief will be granted to non-registered charitable groups.

Discretionary relief will not be given to nationally based groups.

### **Discretionary Hardship Relief**

Section 49 of the Local Government Finance Act 1988 gives discretion to the billing authority to reduce or remit payments of rates in respect of both occupied and unoccupied premises. This award can be up to 100%. Decisions will not normally be made without receipt of actual financial accounts for previous periods.

The applicant must be liable to pay National Non-Domestic Rates to South Norfolk Council. The council must be satisfied that:

- i. The ratepayer would sustain hardship if the Council does not grant Hardship Relief, and
- ii. It is reasonable to grant Hardship Relief having regard to the interest of South Norfolk council taxpayers.

The test of "hardship" need not be confined strictly to financial hardship and applicants should disclose all relevant factors affecting the ability of the business to meet its rate liability.

The "interest" of South Norfolk Council Taxpayers may go wider than direct financial interests for example.

- i. where employment prospects in an area would be worsened by a ratepayer going out of business, or

- ii. the amenities of an area might be detrimentally affected.

Whilst the Council can consider an application for Hardship Relief from any ratepayer who satisfies the qualifying criteria, applications are particularly welcome from ratepayers in respect of the following categories of properties:

- Village Shops and rural businesses
- Organisations that provide employment to people who live in the South Norfolk area.
- Businesses in areas facing a decline in trade.
- Businesses that provide a unique service to the area

The above list is for guidance only and is not conclusive. Hardship Relief should not be regarded as automatic under any circumstances. It is unlikely that Hardship Relief would be granted in respect of an empty property or where there is little expectation of economic survival.

Generally, only businesses that operate exclusively in the South Norfolk area will be considered for relief. This will generally exclude all national companies. Relief will only normally be allowed for one business premises in the South Norfolk Council area.

Decisions to award such relief will be made by the Director with responsibility for Finance.

### **Part 3 – Government funded discretionary rate reliefs.**

#### **Enterprise Zone Rate Relief – Norwich Research Park**

South Norfolk Council has the discretion to award a business rate discount of up to 100% in respect of properties situated within a designated enterprise zone area.

To qualify for this relief the property concerned must be within the enterprise zone area and a discount on business rates will be awarded for up to five years up to the maximum subsidy threshold, for businesses that are already in the Enterprise Zone area or enter the zone before 31 March 2021.

Each case will be considered on its own merits and in considering each case the Council may have regard to:

- Whether the ratepayer is new to Norwich Research Park
- Whether the ratepayer will be delivering an increase in employment over the next 5 years

- Whether by moving into the Enterprise Zone and receiving rate relief the ratepayer anticipates being able to make the necessary investment to generate further growth in the business
- The availability of funding from Government to recompense the Council for such awards of relief.

The level of any award of discount, and the period of rates against which any discount will be awarded will be decided on a case-by-case basis.

Any case (or groups of cases) to be considered under this power will be determined by the Director with responsibility for Finance.

### **Supporting Small Businesses (2023)**

At the Autumn Statement 2022 the Chancellor also announced that a new Supporting Small Business (SSB) relief scheme which will cap bill increases at £600 per year for any business losing eligibility for Small Business Rate Relief or Rural Rate Relief at the 2023 revaluation. The scheme also provides support for those previously eligible for the 2022/23 SSB scheme and facing large increases in 2023/24 but in those cases for one further year only.

The Government has published guidance setting out the eligibility criteria for the scheme.

This guidance can be found at:

<https://www.gov.uk/government/publications/businessrates-relief-2023-supportingsmall-business-relief-local-authority-guidance>

### **Retail, Hospitality and Leisure Relief Schemes (2023/24, 2024/25 & 2025/26)**

This part of the discretionary policy covers the relief scheme for Retail, Hospitality and Leisure properties. This relief is awarded under S47 of the Local Government Finance Act 1988 (as amended).

The purpose of the policy is to support those businesses who occupy retail, hospitality and leisure premises as defined in the guidance issued by Department for Levelling Up, Housing & Communities (DLUHC).

This guidance sets out the criteria for the discount for 2023/24, 2024/25 and 2025/26. The guidance does not replace existing legislation.

The Assistant Director for Finance in consultation with the relevant Portfolio Holder have agreed the policy.

Hereditaments which benefit from the relief will be those which for a chargeable day in 2023/24, 2024/25 or 2025/26:

1. meet the eligibility criteria at Part 2 and;
2. the ratepayer for that chargeable day has not refused the relief for the eligible hereditament.

The ratepayer may refuse the relief for each eligible hereditament anytime up to 30 April 2025. The ratepayer cannot withdraw their refusal for either all or part of the financial year.

Hereditaments where the ratepayer has refused the relief are outside of the scheme and outside of the scope of the decision of which hereditaments qualify for the discount and are therefore ineligible for the relief.

### **How much relief will be available?**

Subject to the £110,000 cash cap per business, the total amount of government funded relief available for each property under this scheme is:

For chargeable days from 1 April 2023 to 31 March 2024, 75% of the chargeable amount.

For chargeable days from 1 April 2024 to 31 March 2025, 75% of the chargeable amount.

For chargeable days from 1 April 2025 to 31 March 2026, 40% of the chargeable amount.

The relief will be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, but before those where local authorities have used their wider discretionary relief powers introduced by the Localism Act 2011, which are not funded by section 31 grants.

Ratepayers that occupy more than one property in England will be entitled to relief for each of their eligible properties up to the maximum £110,000 cash cap, per business per year.

Details of the relief allowed can be found in the Government guidance issued at:

#### **2023/24 scheme:**

Business Rates Relief: 2023/24 Retail, Hospitality and Leisure Scheme, local authority guidance - GOV.UK ([www.gov.uk](http://www.gov.uk))

#### **2024/25 scheme:**

Business Rates Relief: 2024/25 Retail, Hospitality and Leisure Scheme - GOV.UK

#### **2025/26 scheme:**

[www.gov.uk/guidance/business-rates-relief-202526-retail-hospitality-and-leisure-scheme](http://www.gov.uk/guidance/business-rates-relief-202526-retail-hospitality-and-leisure-scheme)

Particular notice should be paid to the rules on cash caps and subsidy available within the guidance and the information on recalculations of relief.

### **Splits, mergers, and changes to existing hereditaments**

A new hereditament created as a result of a split or merger during the financial year, or where there is a change of use, should be considered afresh for the relief on that day.

### **Eligibility for the Retail, Hospitality and Leisure Relief Scheme**

1. Hereditaments that meet the eligibility for Retail, Hospitality and Leisure scheme will be occupied hereditaments which meet all the following conditions for the chargeable day:

a. they are wholly or mainly being used:

- i. as shops, restaurants, cafes, drinking establishments, cinemas, or live music venues
- ii. for assembly and leisure; or iii. as hotels, guest & boarding premises, or self-catering accommodation

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

#### **i. Hereditaments that are being used for the sale of goods to visiting members of the public:**

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

**ii. Hereditaments that are being used for the provision of the following services to visiting members of the public:**

- Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops, etc.)
- Shoe repairs/ key cutting.
- Travel agents
- Ticket offices e.g., for theatre
- Dry cleaners
- Launderettes
- PC/ TV/ domestic appliance repair
- Funeral directors
- Photo processing
- Tool hire
- Car hire

**iii. Hereditaments that are being used for the sale of food and/or drink to visiting members of the public:**

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

**iv. Hereditaments which are being used as cinemas.**

**v. Hereditaments that are being used as live music venues:**

- Live music venues are hereditaments wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Hereditaments cannot be considered a live music venue for the purpose of business rates relief where a venue is wholly or mainly used as a nightclub or a theatre, for the purposes of the Town and Country Planning (Use Classes) Order 1987 (as amended).
- Hereditaments can be a live music venue even if used for other activities, but only if those other activities (i) are merely ancillary or incidental to the performance of live music (e.g. the sale/supply of alcohol to audience members) or (ii) do not affect the fact that the primary activity for the premises is the performance of live music (e.g. because those other activities are insufficiently regular or frequent, such as a polling station or a fortnightly community event).
- There may be circumstances in which it is difficult to tell whether an activity is a performance of live music or, instead, the playing of recorded music. Although we would expect this would be clear in most circumstances, guidance on this may be found in Chapter 16 of the statutory guidance issued in April 2018 under section 182 of the Licensing Act 2003.

3. We consider assembly and leisure to mean:

**i. Hereditaments that are being used for the provision of sport, leisure and facilities to visiting members of the public (including for the viewing of such activities):**

- Sports grounds and clubs
- Museums and art galleries
- Nightclubs
- Sport and leisure facilities
- Stately homes and historic houses
- Theatres
- Tourist attractions
- Gyms
- Wellness centres, spas, massage parlours
  
- Casinos, gambling clubs and bingo halls

**ii. Hereditaments that are being used for the assembly of visiting members of the public:**

- Public halls
- Clubhouses, clubs, and institutions

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

**i. Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business:**

- Hotels, guest and boarding houses
- Holiday homes
- Caravan parks and sites

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

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

that are not broadly similar in nature to those listed above should not be eligible for the relief.

7. The list below sets out the types of uses that the government does not consider to be an eligible use for the purpose of this discount.

**i. Hereditaments that are being used for the provision of the following services to visiting members of the public:**

- Financial services (e.g., banks, building societies, cash points, bureau de change, short-term loan providers, betting shops)
- Medical services (e.g., vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g., solicitors, accountants, insurance agents/ financial advisers, employment agencies, estate agents, letting agents)
- Post office sorting offices

**iii. Hereditaments that are not reasonably accessible to visiting members of the public.**

**Please Note:** Retail, Hospitality & Leisure relief will cease on 31<sup>st</sup> March 2026. Any assistance for retail, hospitality & leisure will be administered through the RHL Multipliers, effective from 1<sup>st</sup> April 2026.

## **2023 Transitional Relief regulations**

The regulations to implement the Transitional Relief scheme for the 2023 revaluation have been debated and approved by both Houses of Parliament and will come into force on 22nd December. The structure and format of the Transitional Relief scheme only differs from the 2017 scheme in that there is no downward transition and, of course, the caps are different.

To satisfy the legal requirement for the regulations to also fund transitional relief, the regulations include in 2027/28 a supplement of 3.3p payable on all relevant hereditaments. As noted in the Explanatory Memorandum however, the government has announced its intention to bring forward the next revaluation to 1st April 2026 and also remove the requirement for funding transitional relief. Subject to the introduction and passage of such legislation, the government will remove from the regulations the supplement in 2027/28 and fund this scheme from the Exchequer.

## **Improvement Relief**

Improvement Relief is a new relief introduced for England and Wales by the government from 01/04/2024. Eligibility for this is administered by the Valuation Office Agency. You might get improvement relief if you make certain improvements to your property. If you're eligible, you'll get the relief for one year. It starts from when

you complete your improvements. Details of the scheme can be found here [www.gov.uk/apply-for-business-rate-relief/improvement-relief](http://www.gov.uk/apply-for-business-rate-relief/improvement-relief)

## **Part 4 – general principles regarding discretionary rate reliefs**

Where necessary a written application form will need to be completed.

Supporting information may be required for some reliefs/discounts.

There is no automatic right of appeal against an authority's decision not to award Discretionary Relief or against the amount of relief allowed. However, should an applicant have a grievance they should write to the Director with responsibility for Finance, clearly stating their reasons.

The decision of the Director with responsibility for Finance will be final with respect to any decision not to award, to revoke or to vary the amount of relief allowed.

The Assistant Director for Finance in consultation with the relevant Portfolio Holder will agree the policy where the criteria and operation of relief schemes are prescribed by and fully funded by Government.

### **Recalculations of relief/discount award**

With all forms of relief/discount the amount of relief/discount awarded will be recalculated in the event of a change in circumstances. This could include, for example, a change to the rateable value of the premises, a change to the period of liability or a change in legislation or a change in the amount due as a result of the application of other reliefs/exemptions.

Relief/discount may also be varied during the year where eligibility criteria are no longer met.

### **Period of Award (general)**

The award period for new and renewal applications will be for a period ending not later than the end of the current financial year (the exception being Enterprise Zone Rate Relief which, once awarded, will generally be for a five- year period).

### **Review of Relief/Discount Award**

The Council will regularly review its approach to the award of relief/discounts and will periodically review the eligibility of qualifying businesses and organisations.

When a review of eligibility is carried out continuation of relief/discount will be subject to satisfactory completion of review forms and provision of requested supporting information. Where a renewal form is not returned, relief/discount will not be awarded, and the business or organisation will be sent a rate bill for the full charge.

When completed forms are returned, awards will be considered in the light of the version of policy in force at the time.

Prior to the Council's discretionary rate relief policy being revised, organisations will be given at least twelve months' notice that their eligibility to relief may change.

### **Award of all discretionary reliefs/discounts**

Where a ratepayer may qualify for more than one relief a mandatory relief will always be awarded (where applicable) and different reliefs will be awarded in the following sequence:

1. Mandatory charitable relief/Mandatory relief for CASCs/Mandatory Rural Rate Relief
2. Small Business Rate Relief (cannot get if entitled to mandatory relief)
3. Supporting Small Business Relief
4. Discretionary reliefs – charities/CASCs/rural discretionary/non-profit making/sports clubs/rates discount/hardship/Enterprise Zone Relief/Local Newspaper relief
5. Retail Discount
6. Locally funded discretionary reliefs – Daycare Nurseries, CIC, Non domestic Rates discount.

Where a rate payer is concerned that they have not been awarded relief/discount in accordance with the policy set out above they can apply in writing to have the case reviewed by the Director with responsibility for Finance.

### **Subsidy Control (previously known as State Aid)**

All discretionary rate reliefs since 4 January 2023 are subject to Subsidy Control rules as defined within the Subsidy Control Act 2022, whether funded by Government or not.

This legislation allows for annual financial assistance up to the value of 325,000 Special Drawing Rights.

An award prior to the 4 January 2023 is still covered by Commission Regulation 1407/2013. State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers will amount to State Aid. However, Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013)<sup>1</sup>.

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

To administer De Minimis it is necessary 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 (aid under other exemptions or outside the scope of State Aid is not relevant to the De Minimis calculation).