

# POLICY FOR THE GRANTING OF DISCRETIONARY BUSINESS RATES RELIEF UNDER SECTION 47 OF LOCAL GOVERNMENT FINANCE ACT 1988

Canterbury City Council, Dover District Council and Thanet District Council have entered into a shared service agreement to allow joint working and make business efficiencies in the Benefits, Council Tax, Business Rates, and Customer Service teams.

Where 'EK Services', and 'EKS' are mentioned this refers to the shared service between Canterbury City Council, Dover District Council and Thanet District Council.

Where references are made to 'EK Services Officers' these services are now being delivered by PartnershipOne Ltd. PartnershipOne Ltd provides benefit services, income collection services, council tax and business rates administration and collection services and customer contact services to the Council. PartnershipOne Ltd is controlled by, and works in partnership with, the three councils.

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## 1.0 Purpose of the Policy

- 1.1 The purpose of this policy is to determine the level of Discretionary Business Rates Relief to be granted to certain defined ratepayers within the Councils' area.
- 1.2 The Local Government Finance Act 1988 and subsequent legislation requires each Council to grant discretionary relief for premises occupied by Charities and similar organisations that own or occupy them wholly or mainly for charitable purposes. Likewise, certain premises situated within a rural settlement area will be eligible for relief. Powers have also been granted under the Localism Act 2011, which allow for the granting of discretionary rate relief to any premises where a Council feels the granting of such relief would be of benefit to the local community.
- 1.3 In addition to the above, Central Government is keen to assist businesses in other specified cases. These reliefs are usually outlined at a fiscal event and guidance on the administration of these reliefs is provided to Local Authorities. Local Authorities are expected to award these reliefs using their powers under discretionary powers contained within Section 47 of The Local Government Finance Act 1988. In these cases, and where a Council meets Central Government guidelines, grants are available under section 31 of the Local Government Act 2003 to fund the award of these reliefs and discounts.
- 1.4 Whilst all Councils are obliged to grant relief to premises which fall within the mandatory categories, the Councils also have powers to grant discretionary relief and reductions to ratepayers, subject to certain criteria being met.
- 1.5 This document outlines the following areas:
- Details of the criteria for receiving an award under schemes introduced by Government during a fiscal event;
  - Guidance on granting and administering the reliefs;
  - Subsidy Control limitations on granting relief
  - The Partnership Councils' Scheme of Delegation.
- 1.6 This document covers all aspects of the Discretionary Business Rates Relief schemes which are available from 1st April 2023. Where businesses are eligible for or request relief they will be granted (or not granted) in line with this policy.

## 2.0 Discretionary Relief - Legislative Background

### Introduction

- 2.1 The original purpose of discretionary relief was to provide assistance where the property does not qualify for mandatory relief, or to 'top up' cases where ratepayers already receive mandatory relief.

- 2.2 Over recent years, and particularly since 2011, the discretionary relief provisions have been amended to allow authorities the flexibility to provide more assistance to businesses and organisations.
- 2.3 The range of bodies, which are eligible for discretionary rate relief, is wide and has been developed by both the Council and Central Government to address certain issues with business rates.
- 2.4 Unlike mandatory relief, ratepayers are obliged to make an application for discretionary relief. This policy will set out scenarios where an automatic award may be made and ratepayers required to 'opt out' of relief when they do not qualify.
- 2.5 Applications are to be carefully considered under their own merits. Where Central Government provides guidelines under which to consider awards, standard criteria may be applied in line with these guidelines.
- 2.6 There is no statutory appeal process or Tribunal against any decision made by the Council, although as with any decision of a public authority, decisions can be reviewed by Judicial Review. However, the local authority will, upon request, review decisions made. Details of the internal review process are given within this policy.
- 2.7 The granting of discretionary relief broadly falls into the following categories:
- a. Discretionary Relief 'top up' - Charities and Community Amateur Sports Clubs (CASCs) who already receive mandatory relief;
  - b. Discretionary Relief - Premises occupied by organisations not established or conducted for profit, whose main objectives are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts, or premises occupied by organisations not established or conducted for profit and wholly or mainly used for purposes of recreation;
  - c. Discretionary Relief - granted under the Localism Act 2011 provisions;
  - d. Discretionary reliefs - granted under section 47 of the LGFA 1988 following announcements made by the Government at a fiscal event.

**This policy relates specifically to category d.**

### **Approach to granting Government led Discretionary Relief schemes**

- 2.8 Over the past few years, a number of schemes have been led by Central Government but without specific legislative changes. These are administered under S47 of the Local Government Finance Act 1988 and guidance is often provided. The local authority is keen to support such initiatives especially where they are designed to help local businesses and will look to maximise both the reliefs given as well as maximising any grants receivable. However, we reserve the right to vary our approach where thought appropriate.
- 2.9 In the case where there is a scheme introduced without full guidance and where there is a discretionary element, Local Councils will need to develop their own

scheme to meet local needs (for example, Local Discretionary Discount and Covid-19 Additional Relief Fund [CARF]). A separate decision will be made in addition to the guidelines in this policy on the allocation of central government funding for the operation of such schemes.

### 3.0 Effect on the Partnership Council's Finances

- 3.1 The granting of discretionary relief will, in the main, potentially involve a cost to each Council. Since the change to the funding for Non-Domestic Rating in April 2013, the effect of the relief is complex.
- 3.2 Any amounts granted prior to 1st April 2013 and continuing since that date will be included in the Council's baseline within the Business Rates Retention Scheme. For any amounts granted for similar cases after 1st April 2013, the costs of the relief will be borne in accordance with the Business Rates Retention Scheme share, namely 50% borne by Central Government, 40% by each Council and 10% by Kent County Council. This also applies where mandatory relief is granted.
- 3.3 Each scheme introduced by Central Government will come with its own funding mechanisms. In the main, schemes introduced where Councils are required to use their powers under section 47 of the Local Government Finance Act 1988 will be fully funded by Central Government. Compensation for relief awarded will be granted under section 31 of the Local Government Act 2003. In some cases, where local discretionary elements of a scheme are included, a separate, fixed funding pot may be provided to each Council for distribution based on local priorities.
- 3.4 Where there is a fixed funding pot for a specific discretionary scheme, the Council will distribute funding up to and not exceeding the funding provided. It is possible for the Council to grant more relief than that allocated by grant. However, once the maximum grant level has been reached, any additional amount granted is borne by each Council, County Council and Central Government, based on retention arrangements at that time.

### 4.0 Administration of Discretionary Relief - General Approach.

- 4.1 The following section outlines the procedures followed by officers in granting, amending or cancelling discretionary relief and reduction.
- 4.2 All reliefs must be applied for. Where specific information is required in order to assess eligibility, the Council will make an electronic application form available on the Council's website. Application may also be by 'opt out'. In some cases, officers will have sufficient information to make an assumption on eligibility for a relief. Where this happens, the Council will communicate how ratepayers are able to opt out of receiving relief based on choice or eligibility.

- 4.3 Where a relief can be carried over from one financial year to the next without reapplication, information will be made available to tell ratepayers how to decline further relief.
- 4.4 Where a formal application is required, applicants will need to ensure that all requested information is provided. If the required information is not provided within the timescales specified, the application will be marked as incomplete and an award of relief will not be considered.
- 4.5 The Council will provide advice and assistance to ratepayers applying for relief. Ratepayers are encouraged to approach the relevant council direct and not pay for such services through third parties.
- 4.5 Where an application is provided, the Council will notify the ratepayer of decisions made. This can be in writing in the form or letter or email, by telephone (with calls diary noted on the relevant business rates account) or by the issuing of a new business rates bill showing the relief award.
- 4.6 Where no application is provided and an automatic award made, details of how to opt out of relief will be made available on the Council website and where necessary, signposted by separate letter, email, secure message or on the reverse of the bill.
- 4.7 Where relief is not granted following an application, then the decision to refuse relief will be notified to the ratepayer. The ratepayer will be told:
- Why the decision has been made to refuse relief
  - What the ratepayer can do if they disagree with the decision
  - If relating to a relief where guidance has been provided by Central Government, a link to the relevant guidance on the Government website.

### **The Non-Domestic Rating (Discretionary Relief) Regulations 1989**

- 4.8 Discretionary relief is to be granted from the beginning of the financial year in which the decision is made. Since 1997 decisions can be made up to 6 months after the end of the financial year for which the application was made. In such cases, the decision may be backdated.
- 4.9 A decision to award discretionary relief and how much relief is given is normally only applicable to the financial year for which the application is made. However, we reserve the right to grant relief for any other period as appropriate.
- 4.10 Variations in any decision will be notified to ratepayers as soon as practicable and will take effect as follows:
- Where the amount is to be increased due to a change in rate charge or a change in a Council's decision which increases the award. This will apply from the date the Council deems appropriate;
  - Where the amount is to be increased for any reason it will take effect at the expiry of a financial year (with financial year meaning 1 April in one year to 31 March of the next) and so that at least one year's notice is given;
  - Where the amount is to be reduced due to a reduction in the rate charge or liability including any reduction in rateable value, awarding of another relief

or exemption this will apply from the date of the decrease in rate charge;  
and

- Where the amount is to be reduced for any other reason, it will take effect at the expiry of a financial year, and so that at least one year's notice is given.

4.11 A decision may be revoked at any time, however, a one year period of notice will be given and the change will take effect at the expiry of a financial year.

4.12 Where a decision to award relief is in line with Central Government guidance and the relief awarded only applies in respect of a single financial year, relief will automatically end at the end of that financial year.

## 5.0 Retail Discount (incorporating retail, Hospitality, and Leisure [RHL] relief)

### General Explanation

5.1 This was originally a temporary relief for 2022/23 and the Government did not amend the primary legislation around the reliefs available to premises. Central Government will reimburse Local Authorities that use their discretionary relief powers under section 47 of the Local Government Finance Act 1988 to grant relief in line with the eligibility criteria set out in guidance produced by Central Government. Subsequent to 2022/23 the scheme was continued but with modifications, as set out in this policy at para 5.7 onwards

5.2 Central Government guidelines have been issued and it has been established that any amount granted in line with these guidelines will be reimbursed by a section 31 grant.

### Background

5.3 In 2019/20 Government announced that eligible retailers with a rateable value below £51,000 will receive a one third discount on their business rates bills. This scheme will run in 2019/20 and 2020/21, and adopts the same definition of 'retail' following the previous retail relief scheme in 2014/15 and 2015/16.

5.4 In 2020/21, in response to the Covid-19 pandemic, Central Government expanded Retail Discount to include the Hospitality and Leisure sectors and increased the discount to 100% of the charge for all qualifying businesses. There was no cap on relief and no maximum Rateable Value (RV) and State Aid limits did not apply. A list of qualifying retail, hospitality and leisure businesses was provided by Central Government.

5.5 In 2021/22, the Expanded Retail Discount came in two parts; 100% relief for all eligible qualifiers for 1 April 2021 to 30 June 2021, with no impact on Subsidy Controls. This relief was then reduced to 66% for qualifying businesses, up to a maximum award of £105,000 per economic actor. Relief awarded from 1 July 2021 was subject to Subsidy Controls. A list of qualifying retail, hospitality and leisure businesses was provided by Central Government.

- 5.6 In 2022/23, Retail Discount of 50% awarded to those in the Retail, Hospitality and Leisure sectors. A list of qualifying retail, hospitality and leisure businesses was provided by Central Government. Relief was capped at £110,000 per economic actor and subject to Subsidy Controls.

### **2023/24 and 2024/25 Retail Discount**

- 5.7 The Council's policy, in line with Central Government requirements, will grant relief at 75% of the chargeable amount to qualifying businesses for the 2023/24 financial year only. This will be continued into 2024/25 after the Government extended the scheme for a further year.
- 5.8 Relief will only be granted for one financial year at a time to which the scheme relates.
- 5.9 Relief will be calculated on a daily basis and will be awarded up to a maximum of £110,000 per business. Ratepayers that occupy more than one property which satisfy the criteria will be entitled to relief for each of their eligible properties subject to the relevant cash cap level. No ratepayer can exceed the cash cap. A ratepayer will be treated as having a qualifying connection with another ratepayer if:
- a. both ratepayers are companies, and
    - i. one is a subsidiary of the other, or
    - ii. both are subsidiaries of the same company; or
  - b. where only one ratepayer is a company, the other ratepayer has such an interest in that company as would, if the second ratepayer were a company, result in its being the holding company of the other.
- 5.10 Full details of businesses qualifying for this relief for can be found at gov.uk.
- 5.11 It will be for the Council to decide if businesses fall under the qualification criteria set out by government. It will also be for the Council to decide whether or not a business operates in a similar nature to any other listed, or falls among the broader scheme criteria and therefore qualifies for relief.
- 5.12 Relief cannot be granted in respect of unoccupied properties.
- 5.13 Retail discount will place under the following hierarchy when awarding relief:
- Transitional Relief
  - Mandatory reliefs
  - S. 47 Discretionary reliefs in the following order:
    - I SSBR
    - II Charitable, CASC and rural relief top up, not for profit relief
    - III other discretionary relief, including Freeport relief

#### IV 2023/24 & 2024/25 Retail, Hospitality and Leisure relief scheme

#### V Other locally funded schemes (such as hardship)

- 5.14 Ratepayers have the right to refuse relief. Relief must be refused by 30 April 2024 or 30 April 2025 for 2024/25 relief. Once a ratepayer has refused relief, they are unable to opt back in and request relief for the same period. Refusal of relief places them outside of the scope of the scheme. If a ratepayer opts out, relief will immediately be removed from the account and an adjusted Demand notice will be issued, without relief.
- 5.15 Retail Discount will be automatically awarded in most cases. For 2023/24 and 2024/25 it will automatically be awarded to those businesses previously receiving Retail Discount in the preceding year. Some effort will be made to identify businesses that will exceed the cash cap and these will not be allocated relief.
- 5.16 If a ratepayer is not automatically granted relief they are able to request relief be awarded. A contact form should be completed on the relevant Council website and their request will be considered in line with this policy and the Government guidance.
- 5.17 If a ratepayer is not eligible for relief but it has been awarded, they should tell the Council straight away. This can be done by email or by completing the relevant online form on the Council website. Relief will be removed immediately and a revised Demand issued without relief.
- 5.18 Properties that are subject to splits, mergers or other changes during the 2023/24 or 2024/25 billing year will be considered afresh based on their new daily liability.
- 5.19 No discount will be given under this scheme to properties owned by the Council, a precepting Authority or a functional body, within the meaning of the Greater London Authority Act 1999.

#### **Circumstances under which an award will be terminated**

- 5.20 In addition to the circumstances outlined above under which no award will be made under these schemes; awards will be terminated early under the following circumstances:
- the organisation ceases from activities which the Council deems to meet the above eligibility criteria. The organisation is required to advise the Council of any such change as soon as possible in writing.
  - The organisation ceases trading

#### **Subsidy**

- 5.21 Retail discount is considered subsidy and subject to the UK's domestic and international subsidy control obligations. General subsidy information is available in section 9 of this policy.
- 5.22 To the extent that the Council is seeking to provide relief that falls below the Minimal Financial Assistance (MFA) thresholds, the Subsidy Control Act allows an economic actor (e.g. a holding company and its subsidiaries) to receive up to

£315,000 in a 3-year period (consisting of the 2023/24 year and the 2 previous financial years). MFA subsidies cumulate with each other and with other subsidies that fall within the category of 'Minimal or SPEI financial assistance'.

Expanded Retail Discount granted in 2021/22 does not count towards the £315,000 allowance but BEIS COVID-19 business grants and any other subsidies claimed under the Small Amounts of Financial Assistance limit of the Trade and Cooperation Agreement will be counted.

- 5.23 In those cases where it is clear to the Council that the ratepayer is likely to breach the cash cap or the MFA limit then we will automatically withhold the relief. Otherwise, the Council will include the relief in bills and ask ratepayers on a self-assessment basis, to inform the Council if they are in breach of the cash caps or MFA limit.
- 5.24 MFA subsidies above £100,000 are subject to transparency requirements. This is not cumulated per beneficiary but applies per subsidy award. This means that for every individual subsidy provided of more than £100,000, the Council needs to include details of the subsidy on the subsidy control database.

### **Ending of Retail, Hospitality, and Leisure (RHL) relief**

- 5.25 The last effective day of RHL relief is 31.03.2026. From 01.04.2026 all RHL relief ends and all RHL properties will be subject to an appropriate RHL business rates multiplier. These RHL multipliers have been set by government at a lower rate than the 'standard' multipliers. The council will apply the revised multipliers in line with legislation and government guidance as set out in Business Rates Information Letter 2/2026, here:

[2/2026: Notification of Non-Domestic Rating Multipliers for 2026/27 - GOV.UK](#)

- 5.26 Any ratepayer who believes they should either be subject to a RHL multiplier, or have been placed in an incorrect multiplier category, should contact the council's Business Rates service and request a review of their particular case.

## **6.0 Supporting Small Business Relief**

### **General Explanation**

- 6.1 This is a temporary relief for 2022/23, 2023/24 and 2024/25 financial years and Central Government is not amending the primary legislation around the reliefs available to premises. Central Government will reimburse Local Authorities that use their discretionary relief powers under section 47 of the Local Government Finance Act 1988 to grant relief in line with the eligibility criteria set out in guidance produced by Central Government.

- 6.2 Central Government guidelines have been issued and it has been established that any amount granted in line with these guidelines will be reimbursed by a section 31 grant.

## **Background**

- 6.3 Central Government increased the thresholds for Small Business Rate Relief from 1 April 2017 to £12,000 for the 100% relief and £15,000 for the tapered relief. They also allowed rural rate relief to be granted up to 100% using S47 of the Local Government Finance Act 1988 as a top up to the mandatory level of 50%, albeit that the rateable value limits have not been changed in respect of rural hereditaments. Unfortunately, despite these changes, some small businesses and businesses in rural areas lost their entitlement to the relief due to increases in Rateable Value through the revaluation on 1st April 2017.
- 6.4 The transitional relief scheme (provided under the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016 No. 1265) did not provide support in respect of changes in reliefs. Therefore, those ratepayers who lost some or all of their small business or rural rate relief faced large percentage increases in bills from 1 April 2017.
- 6.5 In view of this, Central Government provided a new scheme of relief that would be made available to those ratepayers facing large increases as a result of the loss of small business or rural rate relief due to the 2017 revaluation. All local authorities are encouraged to grant the relief in accordance with the guidelines laid down by Central Government and if granted strictly in accordance with guidance, each Council will be compensated by Central Government through a grant under section 31 of the Local Government Act 2003.
- 6.6 The relief is known as the 'Supporting Small Businesses Scheme'

## **Supporting Small Business Relief (SSBR) 2023**

- 6.7 The SSBR 2023 scheme will help those ratepayers who as a result of the change in their rateable value at the 2023 revaluation are losing some or all of their small business or rural rate relief and, as a result, are facing a large increase in their bills.
- 6.8 To support these ratepayers, the SSBR will ensure that the increase per year in the bills of these ratepayers is limited to £600.
- 6.9 In the first year of the scheme, this means all ratepayers losing some or all of their small business rate relief or rural rate relief will see the increase in their bill capped at £600. For each subsequent year, the increase in their bill will be capped at a further £600 per year.
- 6.10 Central Government has also decided that those in receipt of SSBR scheme whose 2023 rateable values are £51,000 or more will not be liable to pay the supplement (1.3 pence per £ of RV) to fund small business rate relief while they are eligible for the SSBR scheme.
- 6.11 Ratepayers will remain in the SSBR scheme for either 3 years or until they reach the bill they would have paid without the scheme. The following exclusions to this apply:

- Those ratepayers receiving 2017 SSB in 2022/23, any eligibility for 2023 SSBR will end on 31 March 2024. Relief will be withdrawn on 31 March 2024 without further notice.
  - Ratepayers who during 2022/23 lost SBRR due to second property, but continued to receive SBRR for 12 months, will be eligible for SSBR until the end of their 12 month run-on. They will then lose the relief.
- 6.12 A change of ratepayer will not affect eligibility for SSBR scheme, but eligibility will be lost if the property becomes vacant or is occupied by a charity or CASC (Community Amateur Sports Club).
- 6.13 SSBR will place under the following hierarchy when awarding relief:
- Transitional Relief
  - Mandatory reliefs
  - S. 47 Discretionary reliefs in the following order:
    - I SSBR
    - II Charitable, CASC and rural relief top up, not for profit relief
    - III other discretionary relief, including Freeport relief
    - IV 2023/24 Retail, Hospitality and Leisure relief scheme
    - V Other locally funded schemes (such as hardship)
- 6.14 The amount of relief awarded under the SSBR scheme will be recalculated in the event of a change of circumstances including the following:
- This could include, for example, a backdated change to the rateable value or the hereditament; or
  - The awarding of another relief.
- 6.15 The award will be calculated on a daily basis, taking into account the above and the relief will be re-calculated if the rateable value changes. This change of circumstances could arise during the year in question or during a later year.
- 6.16 Hereditaments eligible for charity or CASC relief or hereditaments which are unoccupied are not eligible for SSBR.
- 6.17 The presence of a section 44A certificate will not further reduce the bill found under the SSBR scheme.
- 6.18 Under regulations made under section 47 of the Local Government Finance Act 1988 authorities must give at least 12 months' notice of a revocation or variation of a rate relief scheme the effect of which would be to increase rate bills. Such a revocation or variation can only take effect at the end of a financial year (other than to comply with international agreements). But within these regulations, local authorities may still make decisions which are conditional upon eligibility criteria. If a change in circumstances renders a property ineligible, the relevant bill can be amended in the year to reflect the loss of the relief.

- 6.19 Relief will only be awarded providing the property continues to remain eligible for relief. If the use of the property changes so that it is no longer eligible for relief, the relief will be recalculated or removed and a new Demand notice issued.

### **Supporting Small Business Relief (SSBR) 2026**

- 6.20 This will be applied as set out in Business Rates Information letter 5/2025 here:

[5/2025: Confirmation of Budget package and the Non-Domestic Rating Multipliers for 2026/2027 - GOV.UK](#)

### **Subsidy control**

- 6.21 SSBR is considered a subsidy and is subject to the UK's domestic and international subsidy control obligations. General subsidy information is available in section 9 of this policy.

- 6.22 To the extent that the Council is seeking to provide relief that falls below the Minimal Financial Assistance (MFA) thresholds, the Subsidy Control Act allows an economic actor (e.g. a holding company and its subsidiaries) to receive up to £315,000 in a 3-year period (consisting of the 2023/24 year and the 2 previous financial years). MFA subsidies cumulate with each other and with other subsidies that fall within the category of 'Minimal or SPEI financial assistance'.

BEIS COVID-19 business grants and any other subsidies claimed under the Small Amounts of Financial Assistance limit of the Trade and Cooperation Agreement will be counted under the £315,000 allowance.

- 6.23 In those cases where it is clear to the Council that the ratepayer is likely to breach the cash cap or the MFA limit then we will automatically withhold the relief. Otherwise, the Council will include the relief in bills and ask ratepayers on a self-assessment basis, to inform the Council if they are in breach of the cash caps or MFA limit.
- 6.24 MFA subsidies above £100,000 are subject to transparency requirements. This is not cumulated per beneficiary but applies per subsidy award. This means that for every individual subsidy provided of more than £100,000, the Council needs to include details of the subsidy on the subsidy control database.

## **7.0 Heat Network Relief 2022/23 and 2023/24**

### **General explanation**

- 7.1 In October 2021, the government announced a 100% relief for eligible low-carbon heat networks that have their own rates bill to begin on 1 April 2023.
- 7.2 At the Spring Statement 2022, the Chancellor announced that the heat network relief would be brought forward and would apply from 1 April 2022. For the 2022/23 financial year, this relief has been delivered using existing local government

discretionary relief powers and funded by Central Government. This will continue for 2023/24.

- 7.3 The Heat Network Relief scheme will be administered by the Council and applied directly to business rate accounts.

#### **Heat Network relief 2023/24**

- 7.4 In order to be eligible for Heat Network Relief the rating assessment must be:
- a. wholly or mainly used for the purposes of a heat network, and
  - b. The heat is expected to be generated from a low carbon source (irrespective of whether that source is located on the hereditament or on a different hereditament) over the next 12 months.
- 7.5 For these purposes, a heat network is defined as:  
A facility, such as a district heating scheme, which supplies thermal energy from a central source to consumers via a network of pipes for the purposes of space heating, space cooling or domestic hot water.
- 7.6 A low carbon source is a source of which at least:
- a. 50% is renewable
  - b. 50% is waste heat
  - c. 75% is cogeneration heat (where cogeneration means the simultaneous generation in one process of thermal energy and electrical or mechanical energy), or
  - d. 75% is a combination of the sources above.
- 7.7 For a source to be considered renewable, it must be one of the sources listed in Class1(e) of the Schedule to the Valuation for Rating (Plant and Machinery) (England) Regulations 2000 (SI 2000 No. 540) as inserted by regulation 2(b) of SI2022 No. 405
- 7.8 Hereditaments wholly or mainly providing heat for a different purpose (such as industrial process) are not eligible.
- 7.9 The test will be applied to the property as a whole and relief will not be granted in respect of part of a rating assessment. Where a heat network forms part of another rating assessment, such as the heating system in a multi-occupied building or estate, relief will not be granted.
- 7.10 Properties comprising a power station and a heat recovery and network system will not qualify for relief. The purpose of generating electricity does not count towards meeting the wholly or mainly test. If a heat recovery and network system is separately rated to the power station, then it may still qualify, depending on meeting the other eligibility criteria.

7.11 Where heat is being taken from an incinerator or Energy from Waste (EfW) Plant, it will not qualify for relief. This is because the heat network is likely to be a by product of the main purpose of the property, the incineration of waste or generation of power. Only if the heat network has been specifically designed as a heat network, will it qualify, providing the other eligibility criteria are met.

Waste heat includes heat or coolth unavoidably generated as a by-product of another process, which would be wasted if not used for the purposes of a district heating network.

7.12 Heat network relief will place under the following hierarchy when awarding relief:

- Transitional Relief
- Mandatory reliefs
- Heat network relief
- Other discretionary reliefs

7.13 The amount of relief awarded under the Heat Relief scheme will be recalculated in the event of a change of circumstances including the following:

- This could include, for example, a backdated change to the rateable value or the hereditament; or
- The awarding of another relief.

7.14 The award will be calculated on a daily basis, taking into account the above and the relief will be re-calculated if the rateable value changes. This change of circumstances could arise during the year in question or during a later year.

7.15 Under regulations made under section 47 of the Local Government Finance Act 1988 authorities must give at least 12 months' notice of a revocation or variation of a rate relief scheme the effect of which would be to increase rate bills. Such a revocation or variation can only take effect at the end of a financial year (other than to comply with international agreements). But within these regulations, local authorities may still make decisions which are conditional upon eligibility criteria. If a change in circumstances renders a property ineligible, the relevant bill can be amended in the year to reflect the loss of the relief.

7.16 Relief will only be awarded providing the property continues to remain eligible for relief. If the use of the property changes so that it is no longer eligible for relief, the relief will be recalculated or removed and a new Demand notice issued.

## 8.0 Local Newspaper Relief

### **General explanation**

8.1 Local Newspaper Relief was introduced from 1 April 2017 following a Central Government Consultation into providing relief from business rates for local newspapers. This formed part of the Conservative Party Manifesto to support the print industry and to allow local newspapers to adapt to new technology and changing circumstances.

8.2 Relief was originally introduced to be awarded for 2017/18 and 2018/19 only. This was subsequently extended by a further 5 years until 2025.

### **Award of relief**

8.3 On 16 March 2016 the Chancellor announced at the Budget that Central Government would introduce a £1,500 business rates discount for office space occupied by local newspapers, up to a maximum of one discount per local newspaper title and per hereditament, and up to state aid limits, for 2 years from 1 April 2017.

8.4 The relief is intended to be specifically for local newspapers and will be delivered through local authority discretionary discount powers (under section 47(3) of the Local Government Finance Act).

8.5 The criteria for relief:

- a) The relief is to be specifically for local newspapers and by that we mean what would be considered to be a “traditional local newspaper.”
- b) The relief will not be available to magazines.
- c) The hereditament must be occupied by a local newspaper and wholly or mainly used as office premises for journalists and reporters.
- d) The amount of relief is limited to a maximum of one discount: - per newspaper title (e.g. per newspaper name) and per hereditament.

8.6 On Monday 27 January 2020, the Financial Secretary to the Treasury made a Written Ministerial Statement announcing additional business rates measures that will apply from 1 April 2020. This included the extension of Newspaper Relief up to and including 31 March 2025.

8.7 Local Newspaper relief will place under the following hierarchy when awarding relief:

- Transitional Relief
- Mandatory reliefs
- Local Newspaper relief
- Other discretionary reliefs

8.8 The award will be calculated on a daily basis. Should there be a change in circumstances, such as a change in the use of the property which means that the ratepayer is no longer eligible for the relief, the relief will be recalculated or removed and a new Demand notice issued. This change of circumstances could arise during the year in question or during a later year.

8.9 Under regulations made under section 47 of the Local Government Finance Act 1988 authorities must give at least 12 months’ notice of a revocation or variation of a rate relief scheme the effect of which would be to increase rate bills. Such a revocation or variation can only take effect at the end of a financial year (other than to comply with international agreements). But within these regulations, local authorities may still make decisions which are conditional upon eligibility criteria. If a change in

circumstances renders a property ineligible, the relevant bill can be amended in the year to reflect the loss of the relief.

## 9.0 Rural Rate relief

- 9.1 During the 2016 Autumn Statement, Central Government announced that the amount of Rural Rate relief for eligible properties would double from 50% to 100% from 1 April 2017. This is because, under the current legislation, eligibility for 50% rural rate relief prevents some rural businesses from benefiting from 100% small business rates relief.
- 9.2 In the absence of any amendment to primary legislation, Local Councils are required to use their discretionary powers under section 47 of the Local Government Finance Act 1988 to grant the additional relief, based on the guidance issued by Central Government. It is the Government's intention to amend the primary legislation, so this measure is temporary.
- 9.3 All local authorities are encouraged to grant the relief in accordance with the guidelines laid down by Central Government and if granted strictly in accordance with guidance, each Council will be compensated by Central Government through a grant under section 31 of the Local Government Act 2003.

### **Mandatory relief - eligibility**

- 9.5 Eligible businesses can qualify for rural rate relief if their business is in a rural area with a population below 3,000; they are the only village shop or post office, with a rateable value of up to £8,500, or the only public house or petrol station, with a rateable value of up to £12,500.
- 9.6 Eligible businesses will receive a mandatory discount that equates to 50% of their business rates liability.
- 9.7 As rural rate relief is a mandatory relief, there is no further eligibility in respect of small business rate relief.

### **Discretionary relief - eligibility**

- 9.8 Until primary legislation is amended, where a ratepayer is eligible for 50% mandatory rural rate relief, they will automatically be eligible for an additional 50% discretionary relief. No additional qualification criteria will be required.
- 9.9 Rural rate relief will place under the following hierarchy when awarding relief:
- Transitional Relief
  - Mandatory rural rate relief
  - Discretionary rural rate relief
- 9.9 The award of relief will be calculated on a daily basis. Should there be a change in circumstances, such as a change in the use of the property which means that the ratepayer is no longer eligible for the relief, the relief will be recalculated or removed and a new Demand notice issued. This change of circumstances could arise during the year in question or during a later year.

- 9.10 Under regulations made under section 47 of the Local Government Finance Act 1988 authorities must give at least 12 months' notice of a revocation or variation of a rate relief scheme the effect of which would be to increase rate bills. Such a revocation or variation can only take effect at the end of a financial year (other than to comply with international agreements). But within these regulations, local authorities may still make decisions which are conditional upon eligibility criteria. If a change in circumstances renders a property ineligible, the relevant bill can be amended in the year to reflect the loss of the relief.
- 9.11 Local councils can also give relief of up to 100% to other rural businesses (for properties with a rateable value under £16,500). This relief is not covered by this policy.

## 10.0 Flood Relief

### **General explanation**

- 10.1 Flood relief in its current form was introduced as part of the Flood Recovery Framework, last updated 28 October 2021.
- 10.2 Relief is intended to be granted where the Government announces that a severe weather event with significant wide area impacts has taken place and local authorities need central support to help their communities and businesses return to normal.
- 10.3 It will be for ministers to determine when this support is made available and the eligibility criteria. Weather incidents with localised impacts will not usually trigger a recovery support package, however this may be considered in exceptional circumstances.

### **Award of relief**

- 10.4 In the event the Business Rates Relief Scheme is activated, government will provide funding, up to state aid de minimis levels / subsidy allowances to eligible authorities that grant relief.
- 10.5 The amount of relief that will be granted will be:
- 100% rate relief for a minimum of 3 months, or until the business is able to resume trading from the property if longer, up to state aid de minimis levels
- 10.6 The criteria for relief:
- the hereditament was directly impacted by the relevant severe weather event – for instance flood damage to the property, equipment, and/or stock; or; the business could not function due to lack of access to premises, equipment and/or stock as a result of flooding, restricted access for customers, suppliers and/or staff, and no alternatives were available

- and
- on that day business activity undertaken at the hereditament was adversely affected as a result;
- and
- on that day the rateable value of the hereditament was less than £10 million

The scheme applies to all types and uses of non-domestic hereditaments (other than those occupied by the Billing Authority).

In considering whether the business activity has been adversely affected, local authorities should consider the impact of the flooding in the full context of all business activities undertaken at the hereditament. Very small or insignificant impacts should not be considered for the purpose of this scheme.

The funding is for the impacts of a relevant severe weather event; and not for instance, for the failure of a water main, internal water systems or the failure of a sewerage system (unless the failure was itself caused by the adverse weather conditions).

- 10.7 Flood relief will be applied after all other reliefs have been awarded.
- 10.8 The relief should be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.
- 10.9 Ratepayers that occupy more than one property may be granted relief within the scheme of each of their eligible properties.
- 10.10 Businesses impacted in multiple flood events should not be precluded from repeat support where this is made available by government in respect of separate severe weather events.
- 10.11 Where a new hereditament is created as a result of a split or merger from a hereditament which for the day immediately prior to the split or merger met the criteria for the scheme, funding will be provided to allow relief to be given for the remaining balance of the 3 months.
- 10.12 Funding for rate relief will continue to be given following a change of ratepayer; the relief should run with the property rather than the ratepayer.
- 10.13 The scheme does not cover relief for any hereditament which was empty at the time it was flooded as there was no business activity on the premises at the time. Where a hereditament becomes empty after the flood then it will receive the normal 3 or 6 months (as applicable) empty property rate free period or will continue to receive the balance of the flooding relief.
- 10.14 Seriously damaged property may be taken off the ratings list. Where a property is removed from the rating list the ratepayer is not liable for business rates. Once the property returns to the list it may be eligible for any remaining period of flood relief.
  - For example, a property that was taken out of the list for a month would be eligible for a minimum of 2 months flood relief.

## 11.0 Pubs and live music venues relief

11.1 In 2026-27, eligible pubs and live music venues will benefit from a 15% business rates relief on top of the support announced at Budget 2025. The relief will apply to occupied properties only.

11.2 The scope of the relief is as follows;

### **Pubs**

Relief will only be awarded to pubs which meet all of the following characteristics:

- a. is open to the general public
- b. allows free entry other than when occasional entertainment is provided
- c. allows drinking without requiring food to be consumed
- d. permit drinks to be purchased at a bar

4. For these purposes, the meaning of pub does not include:

- a. restaurants, cafes, nightclubs, snack bars
- b. hotels, guesthouses, boarding houses
- c. sporting venues
- d. festival sites, theatres, cinemas
- e. museums, exhibition halls
- f. casinos

Where eligibility is unclear the council will also consider broader factors in its considerations – i.e., in meeting the stated intent of policy that it demonstrates the characteristics that would lead it to be classified as a pub by the natural meaning of the word. For example being owned and operated by a brewery.

### **Live music venues**

Live music venues are properties that are:

a. wholly or mainly used for the performance of live music for the purpose of entertaining an audience

b. can be used for other activities but only if those other activities are:

i. ancillary or incidental to the performance of live music (e.g. the sale of food or drink to audience members)

ii. Do not affect the primary use of the premises for the performance of live music (e.g. because the activities are infrequent such as use of the venue as a polling station or fortnightly community event)

Properties are not a live music venue for the purpose of this relief if the property 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).

There may be circumstances where 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 to be clear in most circumstances, the council will refer to the guidance on this, which may be found in [Chapter 16 of the statutory guidance](#) issued in April 2018 under section 182 of the Licensing Act 2003.

11.3 The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis. The following formula will be used to determine the amount of relief to be granted for a chargeable day for a particular hereditament in the financial year 2026-27:

a. Amount of relief to be granted =  $V \times 0.15$  (i.e. 15% relief) where:

i. V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and certain other discretionary reliefs in line with the guidance below.

11.4 The amount of relief will be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day. The relief is not subject to any cap or the Minimal Financial Assistance limit in Subsidy Control.

11.5 The relief will be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, but before those where the council has used its wider discretionary relief powers introduced by the Localism Act 2011, which are not funded by section 31 grants. However, the former categories of discretionary relief available prior to the Localism Act 2011 (i.e. charitable/CASC and not for profit) will be applied first in the sequence of discretionary reliefs and, therefore, before pubs and live music venues relief. The council may use its discretionary powers to, at cost to itself, offer further relief outside this scheme or additional relief to hereditaments within the scheme. However, in a case where the council applies a locally funded relief under section 47, this will be applied after the pubs and live music venues relief. The ordering of reliefs will be applied in following sequence:

a. Improvement Relief

b. Transitional Relief

c. Other mandatory Reliefs (as determined in legislation)

d. Section 47 Discretionary Relief in the following order:

i. 2026 Supporting Small Business (SSB)

ii. Former categories of discretionary relief available prior to the Localism Act 2011 (i.e. charitable, CASC, not for profit) should be applied first in the sequence of discretionary reliefs, after SSB

iii. Other discretionary (centrally funded) including Freeport relief

iv. 2026-27 pubs and live music venues relief scheme

v. Other locally funded scheme

## 12.0 Electric Vehicle Charging Point (EVCP) relief

In the Budget 2025 the government announced **100% relief for Eligible Electric Vehicle Charging Points and Electric Vehicle only forecourts** (EVCP relief) – a ten-year 100% business rates relief for EVCPs separately assessed by the VOA and Electric Vehicle only forecourts to ensure that they face no business rates liability. No further details have been published on this yet, consequently this policy will be updated to reflect this relief once details are known.

## 13.0 Review / Reconsideration Process

- 13.1 Rate Reliefs made under the local authority's discretionary powers have no formal right of appeal. However, applicants dissatisfied with the authority's decision may request a review/ reconsideration under the following circumstances:
- Additional information that is relevant to the application and that was not available at the time the decision was made becomes available; or
  - There are good grounds to believe the application or supporting information was not interpreted correctly at the time the decision was made.
- 13.2 Where any Council receives an appeal from the ratepayer regarding the granting, non-granting or the amount of any discretionary relief, the case will be reviewed by the Business Rates Manager. Where a decision is revised then the ratepayer shall be informed, likewise if the original decision is upheld.
- 13.3 Where the ratepayer continues to be aggrieved by the decision, the case will be referred to the section 151 Officer for review. Where appropriate, cases of this nature may also be referred to the Executive member as appropriate.
- 13.4 Ultimately the formal appeal process for the ratepayer is Judicial Review although EK Services will endeavour to explain any decision fully and openly with the ratepayer.

## 14.0 Discretionary Relief - Subsidy Controls

- 14.1 The discretionary reliefs within this policy, unless specifically stated otherwise are considered subsidy and subject to the UK's domestic and international subsidy control obligations.
- 14.2 Ratepayers eligible for relief will need to fulfil any requirements in place to ensure compliance with those obligations in advance of, during and after claiming relief. It is important that ratepayers claiming discretionary relief maintain records of all subsidies received, as these can be requested by the Council at any time.
- 14.3 BEIS issued guidance for public authorities containing information for the [new UK subsidy control regime](#) from 4 January 2023. The reliefs in this policy will be administered in line with these controls or any later controls introduced by Central Government.

## 15.0 Scheme of Delegation

### Granting, Varying, Reviewing and Revocation of Relief

- 15.1 All powers in relation to reliefs are given under the Local Government Finance Act 1988, the Local Government and Rating Act 1997, the Local Government Act 2003 and the Localism Act 2011. However section 223 of the Local Government Act 1992 allows for delegation of decisions by each Council to Cabinet, Committees, Sub-Committees or Officers.

## 16.0 Equalities Assessment

- 16.1 The Council is committed to delivering a service that is accessible and fair to all of the communities that we serve. We will ensure that all people are treated with respect and dignity.

The Equality Act 2010 sets us an “Equality Duty” to:

1. eliminate discrimination, harassment and victimisation;
2. promote equality of opportunity between different groups in the community; and
3. foster good relations within the local community

We give careful consideration to equality issues in our new and existing policies, strategies and services to see what effect they will have on different groups within our communities, including those with protected characteristics.

The protected characteristics covered by the Equality Duty are:

- age;
- disability;
- marriage and civil partnership (but only in respect of eliminating unlawful discrimination);
- pregnancy and maternity;
- gender reassignment;
- race – this includes ethnic or national origins, colour or nationality;
- religion or belief – this includes lack of belief;
- sex (gender);
- sexual orientation.

We also recognise that socio-economic status can be a significant barrier to equality of opportunity.

We identify potential consequences for these groups and ensure any negative impacts are eliminated or reduced. We also identify opportunities to eliminate discrimination and

promote positive relations between groups and throughout our communities.

## 17.0 Policy Review

- 17.1 This policy will be reviewed on an annual basis and when changes dictate in order to ensure it remains valid, effective and relevant.

### Version control

Version	Date	Comments
V1	March 2024	Final agreed version
V2	March 2025	Reviewed - no changes
V3	March 2026	Minor amendments to paras 5.1 and 5.11 Ending of RHL inserted (paras 5.25 and 5.26) SSBR 2026 inserted (para 6.20) Pubs & live music venues relief inserted (Section 11) EVCP inserted (Section 12) Appendix 1 (RHL 23/24, 24/25 qualifying hereditaments) removed