



TRAFFORD COUNCIL

National Non-Domestic Rates Discretionary Rate Relief Policy

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PART ONE

GUIDELINES FOR RATE RELIEF TO CHARITABLE AND OTHER ORGANISATIONS

1.1 The legislation for councils to grant discretionary rate relief to charities, certain not-for-profit or philanthropic bodies, community amateur sports clubs and certain properties within rural settlements is set out in Section 47 of the Local Government Finance Act 1988.

The granting of discretionary rate relief to charitable and other organisations in respect of National Non-Domestic Rate (NNDR) and every application will be determined on its merits having regard to the following guidelines.

1.1.1. Applications will generally be refused where:-

- a) A substantial portion of the organisation's income comes from bar receipts;
- b) Membership of the organisation is restricted by the amount of the subscription or other limiting factors which preclude the whole of the public from having effective access to the organisation's activities;
- c) 80% mandatory relief is already given except for Scout and Guide headquarters and Citizens Advice Bureaux;
- d) A club is run for political purposes;
- e) There would be duplication of financial assistance where grant aid of any other kind is being given by the local authority directly or under Section 48 of the Local Government Act 1985;
- f) The applicant is a Housing Association.

1.1.2. Discretionary Relief to amateur sports clubs and other types of community organisations and societies will be set at a minimum rate of 20% for those who qualify.

PART TWO

(SPRING BUDGET 2017 & AUTUMN BUDGET 2018 SCHEMES) GUIDELINES FOR DISCRETIONARY RATE RELIEF IN RESPECT OF SUPPORTING SMALL BUSINESSES, PUBS, LOCAL NEWSPAPERS & RETAIL DISCOUNT

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

2.2 Supporting Small Businesses

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

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

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

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

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

- 2.2.4** Those on the Supporting Small Businesses relief scheme whose 2017 rateable values are £51,000 or more will not be liable to pay the supplement (1.3p) to fund small business rate relief while they are eligible for the Supporting Small Businesses relief scheme.
- 2.2.5** Ratepayers remain in the Supporting Small Businesses relief scheme for either 5 years or until they reach the bill they would have paid without the scheme. A change of ratepayers will not affect eligibility for the Supporting Small Businesses relief scheme but eligibility will be lost if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club.
- 2.2.6** There is no 2nd property test for eligibility for the Supporting Small Businesses relief scheme. However, those ratepayers who during 2016/17 lost entitlement to small business rate relief because they failed the 2nd property test but have, under the rules for small business rate relief, been given a 12 month period of grace before their relief ended can continue on the scheme for the remainder of their 12 month period of grace.
- 2.2.7** The calculation of Supporting Small Businesses relief will be in line with Department for Communities and Local Government guidance at section 2 which can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/620750/BRIL_4-2017_Spring_Budget_update.pdf

2.3 Business Rate relief Scheme for Pubs

- 2.3.1** The pubs discount will provide a £1,000 discount to eligible pubs in 2020/21. This is in addition to the retail discount and will apply after any retail discount is granted. The scheme will be available to eligible occupied properties with a rateable value of less than £100,000. The majority of pubs are independently owned or managed and will not be part of chains. Where pubs are part of a chain, relief will be available for each eligible property in the chain, subject to meeting State Aid requirements.

2.3.2 There is no definitive description of a traditional pub or public house in law which can be readily used by local authorities to determine eligibility. In line with the Government's policy intentions, eligible pubs should:

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

For these purposes, it should exclude:

- a) restaurants
- b) cafes
- c) nightclubs
- d) hotels
- e) snack bars
- f) guesthouses
- g) boarding houses
- h) sporting venues
- i) music venues
- j) festival sites
- k) theatres
- l) museums
- m) exhibition halls
- n) cinemas
- o) concert halls
- p) casinos

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

2.3.4 The total amount of relief available for 2020/21 under this scheme is up to £1,000 for each eligible property. There is no relief available under this scheme for properties with a rateable value of £100,000 or more.

2.3.5 If the pub relief is extended beyond 2020/21 the Council will award in line with the extended scheme.

2.4 Local Newspapers

2.4.1 The Chancellor announced at the Budget that the Government will introduce a £1,500 business rates discount for office space occupied by local newspapers, up to a maximum of one discount per local newspaper title and per hereditament, and up to state aid limits, for 2 years from 1 April 2017. This has been extended for an additional year 2019/20. The guidance for business rates relief for local newspapers can be found at the following link: [The case for a business rates relief for local newspapers - GOV.UK](#)

2.5 Expanded Retail Discount

At Autumn Budget 2018, the Government announced a one-third discount for eligible retail businesses with a rateable value of less than £51,000, up to state aid limits. This scheme will run for two years from April 2019. This discount will be applied to the bill after the application of any reliefs, excluding any local discounts. In January 2020, the Government announced an increase in the retail discount from one-third to 50 per cent, effective from 1 April 2020, and extended the discount to cinemas and live music venues. On 23 March 2020, the relief was increased to 100% and expanded to accommodate leisure and hospitality sectors with the upper rateable value limit being removed, as part of the Government's response to the economic impact of the Covid-19 for 2020/21.

At the Budget on 3 March 2021, the Government announced that the Expanded Retail Discount (20/21) will be extended for three months for eligible properties (see below), at 100%, uncapped, for the period 1 April 2021 to 30 June 2021. From 1 July 2021 to 31 March 2022, the Expanded Retail Discount will apply at 66% relief for eligible properties in the scheme with a cash cap of £2m for businesses that were required to close as at 5 January 2021 and up to £105,000 for businesses permitted to open at that date (see paragraph 2.4.3 below).

2.5.1 Who qualifies

Hereditaments that meet the eligibility for Expanded Retail Discount will be occupied properties which meet all of the following conditions for the chargeable day:

They are wholly or mainly being used:

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

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

- a) 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)

(b) Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Hair and beauty services (such as: hair dressers, 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
- Employment Agencies
- Estate agents and letting agents
- Betting Shops

(c) 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

(d) Hereditaments which are being used as cinemas

(e) 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.

We consider assembly and leisure to mean:

(f) 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
- Theatres
- Tourist attractions
- Gyms
- Wellness centres, spas, massage parlours
- Casinos, gambling clubs and bingo halls

(g) Hereditaments that are being used for the assembly of visiting members of the public:

- Public Halls
- Clubhouses, clubs and institutions

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

(h) 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

2.5.2 Who doesn't qualify

The list below sets out the types of uses that the Government does not consider to be retail use for the purpose of this discount:

- (a) 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, bureaux de change, short-term loan providers)
 - Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
 - Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers)
 - Post office sorting offices
- (b) Hereditaments that are not reasonably accessible to visiting members of the public

2.5.3 The Cash Caps

No cash caps will apply for the period between 1 April 2021 to 30 June 2021. Under the cash caps, a ratepayer may only receive up to the following cash caps of Expanded Retail Discount in 2021/22 ignoring any relief for the period before 1 July 2021:

- (a) £2 million for ratepayers meeting the eligibility for the closed cash cap test set out in Annex B of the Government Guidance (subject to paragraphs 21-23), or
- (b) £105,000 for all other ratepayers (subject to paragraphs 21-23).

No ratepayer can in any circumstances exceed the £2 million cash cap across all of their hereditaments in England. Where a ratepayer eligible for the closed cash cap also occupies hereditaments which do not meet the criteria for the closed cash cap and the value of the discount on the closed hereditaments is less than £2 million then they may also claim the discount on other eligible hereditaments but only up to the cap of £105,000 in respect of those other eligible hereditaments. For example, such a ratepayer whose rate bill from 1 July 2021 onwards on hereditaments eligible for the closed cash cap is £1 million and also occupies other eligible hereditaments with a rates bill of £3 million is able to claim up to £1,105,000 in discount from 1 July 2021 onwards (£1million on their closed hereditament and then up to the £105,000 cash cap on their other eligible hereditaments).

Where a ratepayer has a qualifying connection with another ratepayer then those ratepayers should be considered as one ratepayer for the purposes of the cash caps. A ratepayer shall be treated as having a qualifying connection with another:

- (a) where 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 (the “second ratepayer”) has such an interest in that company as would, if the second ratepayer were a company, result in its being the holding company of the other.

In those cases where it is clear to the Council that the ratepayer is likely to breach the cash caps then the Council shall automatically withhold the discount. Otherwise, businesses shall, on a self-assessment basis, to inform the Council if they are in breach of the cash caps.

2.5.4 Eligibility for the Closed Cash Cap (£2 million)

Ratepayers that meet the eligibility criteria for the closed cash cap will be ratepayers who for a chargeable day occupy one or more hereditaments whose use on the chargeable day would, based on the law and guidance applicable on 5 January 2021, have meant that the business or activity would have been mandated to close by the government.

For the avoidance of doubt, hereditaments which have closed due to the government’s response to coronavirus should be treated as occupied for the purposes of the closed cash cap.

If, under this eligibility test, a person would have been required to close its main, in-person service but could have adapted its business to operate takeaway, click and collect or online with delivery services, it will be considered closed and be eligible for the closed cash cap because its substantive business would have been mandated to close.

In cases where hereditaments would have remained open to provide services that can continue as they are exempt from the regulations (e.g. post office services, food banks) the ratepayer may still be eligible for the closed cash cap, because they would have been unable to provide their main in-person service.

The following hereditaments do not meet eligibility for the closed cash cap:

- (a) Hereditaments occupied by businesses and other ratepayers that would have been able to conduct their main service because they do not depend on providing direct in-person services from premises and can operate their services effectively remotely (e.g. accountants, solicitors).
- (b) Hereditaments whose occupiers may have chosen to close but not been required to.

2.6 Nursery Discount

On 18 March 2020, in response to the coronavirus, the Government announced that many childcare providers would pay no business rates in 2020/21. At the Budget on 3 March 2021, the Chancellor announced that the Government would provide additional business rates support for nursery businesses in England occupying a qualifying property.

At the Budget on 3 March 2021, the Government announced that the Nursery Discount will also be extended for three months for eligible properties at 100%, uncapped, for the period 1 April 2021 to 30 April 2021. From 1 July 2021 to 31 March 2022, the Nursery Discount will apply at 66% relief for eligible properties, with a cash limit of £105,000.

2.6.1 Who qualifies

- (a) Properties that will benefit from the relief will be hereditaments which are occupied by providers on Ofsted's Early Years Register and which are wholly or mainly used for the provision of the Early Years Foundation Stage.

To qualify for the relief the hereditament should be wholly or mainly being used for the above qualifying purpose. 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. For the avoidance of doubt, hereditaments which have closed temporarily due to the government's advice on COVID-19 should be treated as occupied for the purposes of this relief.

2.7 Awarding Reliefs

2.7.1 Eligibility for all part two reliefs:

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

Any business that has been automatically re-awarded the Expanded Retail

- Discount or the Nursery Discount has the option to refuse the discount by emailing the Council at business.rates@trafford.gov.uk.

2.8 Right of Appeal.

- 2.8.1** In all cases where an organisation disagrees with the Council's decision, an appeal may be made in writing to the Corporate Director of Finance & Systems within one calendar month from the date of the decision notice

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