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Report of: Eugene Walker

Report to: Councillor Olivia Blake, Cabinet Member for Finance and Resources

Date of Decision:

Subject: Review of Non Domestic Rates (Business Rates) Discretionary Relief Policy

Is this a Key Decision? If Yes, reason Key Decision:- Yes No

- Expenditure and/or savings over £500,000 N

- Affects 2 or more Wards N

Which Cabinet Member Portfolio does this relate to? *Finance and Resources*

Which Scrutiny and Policy Development Committee does this relate to? Overview and Scrutiny Management Committee

Has an Equality Impact Assessment (EIA) been undertaken? Yes No N

If YES, what EIA reference number has it been given? *(Insert reference number)*

Does the report contain confidential or exempt information? Yes No N

If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-

“The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended).”

Purpose of Report:

The purpose of this report is to seek approval to amend the Council's Non Domestic Rates (Business Rates) Discretionary Relief Policy (the Policy). The policy will be amended to:

- Update the Policy with regards to reliefs which were time bound and have expired;
- Update the Policy to extend the Living Wage Relief into 2017/18, and;
- Include the adoption of three new reliefs, Support for Small Business Rate Relief, Public House Relief and Newspaper Relief

The amended Policy is attached at Appendix 1 of this report.

Recommendations:

To approve the amendments to the Council's Non Domestic Rates (Business Rates) Policy as detailed in this report. The amended policy is set out in Appendix 1 of this report.

Background Papers:

(Insert details of any background papers used in the compilation of the report.)

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: Marianne Betts
		Legal: Brendan Twomey
		Equalities: <i>n/a</i>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	EMT member who approved submission:	Eugene Walker
3	Cabinet Member consulted:	Olivia Blake
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: John Squire	Job Title: Finance Manager
	Date: <i>(Insert date)</i>	

1. PROPOSAL

To amend the Council's Non Domestic (Business Rates) Relief Policy (the Policy) to bring it up to date in respect of reliefs that were time bound and have expired, to extend one relief, Living Wage Relief into 2017/18 and to include three new Government introduced reliefs, Support for Small Business Relief, Pub Relief and Newspaper Relief, into the Policy.

The Report identifies those reliefs that are to be removed from the Policy and provides information on the reliefs to be included in the Policy.

Reliefs to be removed from the Policy

It is proposed that the following reliefs will be removed from the Policy:

- Retail Relief
- Retail Reoccupation Relief
- Transitional Relief

Retail Relief

Retail Relief was introduced by the Government in 2014 in respect of financial years 2014/5 and 2015/16. It provided relief of up to £1,500 (which was fully funded by Government) for businesses trading as retail outlets.

It is made clear in the Policy that this relief would be available to eligible businesses in respect of their business rates liability in the financial years 2014/5 and 2015/16 and that this relief would not be available in respect of liabilities outside of these years. On this basis it is proposed that this relief be removed from the Policy.

Retail Reoccupation Relief

Retail Reoccupation Relief was introduced to provide assistance to retail businesses who occupied a property between 1 April 2016 and 31 March 2017 and which had been previously unoccupied for at least 6 months. The Policy makes it clear that the relief will be available in respect of business rates liabilities for 2016/17 only. To date no awards of this relief have been made. A review of this relief concluded, given the lack of take up, that there was no merit in extending the availability of the relief into the financial year 2017/18. On this basis it is proposed that this relief be removed from the Policy.

Transitional Relief

A statutory Transitional Relief Scheme is usually introduced by Government after every national business rate revaluation exercise to mitigate the impact to businesses of the rate increase and lasts for five years. However, the national revaluation of business rates due to take

effect from 1 April 2015, did not take place. Instead it was postponed until 1 April 2017. As a result, Government had to decide how to extend the Transitional Relief Scheme from 1 April 2015 to 31 March 2017. Instead of amending the legislation to enable this extension, the Government chose to utilise s47 of the Local Government Finance Act 1998, encouraging local authorities to exercise their discretion, to implement their own Transitional Relief Scheme for this two year period, funded by the Government. In line with the Government guidance, the Council implemented its own Transitional Relief Scheme for the financial years 2015/16 and 2016/17.

Following the 2017 national revaluation exercise, the Government introduced a statutory Transitional Relief Scheme to cover the five year period for April 2017 to March 2022. On this basis it is proposed that this relief be removed from the Policy.

Relief to be extended into 2017/18: Living Wage Relief

Living Wage Relief (LWR) was introduced by the Council in 2016/17. Under LWR the Council may award LWR for a non-domestic property where the ratepayer of that property is an employer who is accredited with the Living Wage Foundation (LWF) and where the property has a Rateable Value (RV) of £50,000 or less. The LWF is the organisation that accredits employers who pay (or who commit to paying within an agreed timetable) the Living Wage to all their employees.

Initially this relief was available for 2016/17. A review of this relief concluded that although there had been no take up at that point, as awareness and adoption of the Living Wage grew amongst businesses in the City, the demand for this relief should grow. Further the Council is in a position, working with the Living Wage Foundation, to proactively promote the take up of the relief. As this relief contributes to delivering some of the Council's overall objectives including being a Fairer City and Tackling and Preventing Poverty, it was decided to extend this relief into 2017/18.

New reliefs to be incorporated into the Policy

There are three new reliefs to be incorporated into the Policy they are:

- Support for Small Business Relief,
- Pub Relief, and;
- Newspaper Relief.

All three reliefs were introduced by Government in the 2017 Spring Budget.

The Government has provided guidance to Local Authorities on how the reliefs should be designed and administered. Any awards of relief made in line with the guidance will be fully funded by Government.

State aid will apply to all three new reliefs, as well as all the other reliefs dealt with in this report. Therefore the provision of any of the business rate reliefs dealt with in this report is subject to rules governing State Aid. State Aid, which may have a negative impact on competition and trade within the European Union, is generally prohibited. However under diminimus aid rules, most businesses are allowed to receive some State Aid (generally up to a maximum of €200 000, over a 3 year period). This maximum level of support applies to national chains as a whole. Where this maximum is reached, further State Aid is usually prohibited. Therefore it is unlikely that a national chain will be able to receive any of the reliefs even where they otherwise meet the eligibility criteria.

Support for Small Business Rate Relief (SSB)

Support for Small Business Rate Relief provides additional relief to businesses who in 2017/18 have lost some or all of either Small Business Rate Relief (SBRR) or Rural Rate Relief (RRR) and who have seen a significant increase in their Business Rates bill for 2017/18. In Sheffield we do not currently award any RRR.

From April 2017, businesses with a RV of up to £12,000 will receive 100% SBRR, thus reducing their business rates liability to nil. Of the 18,310 properties currently in the Valuation List, 12,158 will receive full SBRR in 2017/18. Therefore, the starting point for businesses who will qualify for SSB will be those whose RV has increased above £12,000.

Those businesses with an RV of £12,001 to £15,000 will receive SBRR on a sliding scale. 1051 properties will receive some form of SBRR.

In addition to these reliefs, all properties with a RV of £12,000 to £20,000 whose rates bill for 2017/18 has increased will have this increase capped at 5% by the Government's Statutory Transitional Relief Scheme.

SSB will be applied after any Statutory Transitional Relief or SBRR. Therefore SSB will further limit the impact of any increase in 2017/18 rates liabilities for those businesses, regardless of their 2017/18 RV, who have lost some or all of their SBRR. SSB will have the effect of restricting the increase in business rates, and this will be done by one of two methods. The method applied in an individual application will be the one that will result in the largest increase. The two methods are as follows:

- in year one of the relief, i.e. 2017/18, any increase in rates payable will be limited to 5% of the increase (plus inflation) or
- the increase in rates will be limited to a cash value of £600 per year (£50 per month). This cash minimum increase ensures that those ratepayers paying nothing, or very small amounts, in 2016/17 after Transitional Relief and SBRR is applied, pay something in 2017/18.

Due to the way in which the statutory Transitional Relief scheme works, the overall impact in year one will mean any business eligible for SSB will

see their increase in rates payable in 2017/18 capped at £600.

This is shown in the example set out below where a ratepayer who is eligible for SBRR and whose RV has increased from £3,000 in 2016/17 (this rate payer would have paid nil in 2016/17) to £14,000 in 2017/18:

- 2017/18 Bill before reliefs £6,524
- 2017/18 Bill after transitional relief £1,555
- 2017/18 Bill after SBRR £1,037
- Increase in bill from 2016/17 £1,037

SSB Rate Relief would be applied to the bill amounting to £1,037 (as 5% of a nil bill for 16/17 would still result in a nil bill for 17/18) and would have the effect of reducing the bill to £600.

To date 58 businesses have been identified as being eligible for this relief, with the total relief awarded expected to be around £70,000.

SSB will be in place for the financial years 2017/18 to 2021/22. So long as properties meet the eligibility criteria in future years, they will receive the relief for the full 5 years.

In future years, i.e. 2018/19 to 2021/22, increases will either be capped at 7.5% 10%, 15% and 15% or by a cash minimum value of £600 per year, which ever, in an individual case, will result in the greatest increase in business rates.

This means that rate payers who paid nothing in 2016/17 and who lose all their entitlement to SBRR from 2017/18 i.e. move to a RV of £15,000 or more would under SSB be paying £3,000 in year 5, even though their base liability in year 5 would be around £7,000 if SBB was not in place.

Properties eligible for Charity or Community Amateur Sports Club (CASC) Relief, or unoccupied hereditaments are not eligible for SSB.

The amount of relief awarded under the SSB Scheme will be recalculated in the event of a change in circumstance. This change in circumstance may reduce the level of relief awarded and in some cases may mean eligibility to relief ends. Entitlement to relief will change or cease from the date of the material change in circumstance.

A change of ratepayers will not affect eligibility for the SSB Scheme. However, entitlement ceases when a property becomes unoccupied.

Where a property which ceases to be entitled to SSB for a day, it cannot return to entitlement if circumstances change from a later date. For example if a property falls unoccupied it will not then be eligible for SSB if it subsequently becomes occupied again.

Pub Relief Scheme

The Pub Relief Scheme aims to provide financial assistance to the pub industry, which nationally, has seen some of the highest rises in RV following the 2017 revaluation.

The Relief applies from 1st April 2017 until the 31st March 2018.

There is no definitive description of a traditional pub or public house in law which we can use to determine eligibility for assistance under the Scheme. However, the Government's policy intention is that eligible pubs should:

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

The Government, in guidance have indicated that for the purpose of the Pub Relief Scheme, the following establishments should not be eligible for relief:

- restaurants
- cafes
- nightclubs
- hotels
- snack bars
- guesthouses
- boarding houses
- sporting venues
- music venue
- festival sites
- theatres
- museums
- exhibition halls
- cinemas
- concert halls
- casinos

The relief is intended to provide any occupied pub with an RV up to £100,000 with a £1,000 reduction in their rates bill for 2017/18. Pubs with RV of £100,000 or above will not be eligible for assistance under this scheme.

However under the proposed Pub Relief Scheme where a pub has a RV under £12,000 and therefore receives full SBRR they will not be eligible for assistance under the scheme. In Sheffield there are 104 pubs with a RV under £12,000.

There are 31 pubs with a RV between £12,000 and £15,000 who will receive some SBRR on a sliding scale. These pubs will also be eligible for assistance from the Pub Relief Scheme. This assistance may be some or all of the £1000 that is available.

There are a further 249 pubs with a RV between £15,000 and £100,000 who may be eligible for some or all of the £1000 relief.

There are 30 pubs with a RV above £100,000 who will not be eligible for relief.

Pub Relief will be applied after Statutory Transitional Relief and any entitlement to SBRR or SSB Rate relief.

Using the example for SSB Rate relief above, if this property was a pub, then the effect of the awarding relief under the Pub Relief Scheme would be as follows:

- 2017/18 Bill before reliefs £6,524
- 2017/18 Bill after transitional relief £1,555
- 2017/18 Bill after SBRR £1,037
- Bill after SSB applied £600
- Bill Pub Relief applied £0.00

Newspaper Relief

Newspaper relief aims to provide financial assistance, in the form of businesses relief to traditional type pubs.

The relief will provide a £1,500 relief for office space occupied by local newspapers. Further the property must be occupied by a local newspaper and wholly or mainly used as office premises for journalists and reporters.

Relief will be up to a maximum of one discount per local newspaper title and per hereditament, in respect of financial years 2017/18 and 2018/19. By way of example:

- A local newspaper with two offices would be able to claim a discount for only one of them, and ;
- An office shared by three separate local newspaper titles would only be eligible for a single discount

Under this relief only traditional local newspapers are eligible for assistance. The relief therefore will not be available to Magazines or online publications.

2. HOW DOES THIS DECISION CONTRIBUTE?

The removal of reliefs that are no longer in force ensures that the Policy correctly reflects the current reliefs available under the Policy, ensuring Rate Payers and officers administering the scheme are properly informed.

Extending the LWR scheme provides an incentive to employers within the City to pay the Living Wage which in turns contributes to corporate objectives related to preventing and tackling poverty.

Incorporating SSB into the Policy will provide financial assistance to around 60 businesses that have seen a rise in the business rates payable following the 2017 revaluation exercise.

By awarding SSB the Council will be assisting those businesses to manage their financial affairs, sustain employment and support the local economy. This will contribute to the Council's Corporate Priority of enabling the development of a strong economy.

Incorporating the Pub Relief Scheme into the Policy will provide financial assistance to Public Houses. Public Houses have been adversely impacted by both the economic downturn and the national revaluation of Business Rates. By awarding the relief the Council will assist pubs to manage their financial affairs, sustain employment and support the local economy. Pubs are seen in many quarters as being a focal point of many communities. Supporting this sector will contribute to the Council's priority of developing thriving neighbourhoods and communities and could also assist in the development of the City's night time economy.

Incorporating Newspaper Relief into the Policy will provide financial assistance to those qualifying businesses and may particularly assist smaller businesses who publish within specific communities. Community based publications in particular have a key role to play in bringing communities together which in turn assists in delivering the Councils objective of building thriving neighbourhoods and communities and increasing social cohesion.

3. HAS THERE BEEN ANY CONSULTATION?

There is no statutory requirement to consult on the proposed changes to the Policy and, given the nature of the proposals, it was considered that there was not a need to consult.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

Equality of Opportunity Implications

As a Public Authority, the Council have legal requirements under Section 149 of the Equality Act 2010. These are often collectively referred to as the 'general duties to promote equality' with particular regard to persons sharing the relevant protected characteristics-age, disability, gender

reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. It is considered that the Policy and the proposed amendments to it, comply with this duty as the impact on businesses is equality neutral, being the same whether or not any person involved with the business has a protected characteristic. In those circumstances it was considered that an Equality Impact Assessment was unnecessary.

Financial and Commercial Implications

Amending the policy so that it only includes the reliefs that are in force ensures that businesses are properly informed of the reliefs that are currently available.

Extending the LWR relief into 2017/18 will result in a reduction in business rate liability for those businesses who qualify for the relief. As the granting of relief will have the effect of reducing Council revenue, the level of awards made in 2017/18 will be reviewed, should 100 awards be made, in order to consider, amongst other factors, the financial impact on the Council that the granting of relief has had.

The SSB, Pub Relief and Newspaper Relief schemes are sustainable as they are fully funded by the Government. They will provide a positive outcome for those eligible businesses in providing them with additional financial support, whilst assisting to sustain employment within the City.

Government recognises that implementing these schemes places additional burdens on billing authorities. In accordance with the New Burdens doctrine, the Department for Communities and Local Government has conducted an assessment of the reasonable costs of new software and the staffing and administration implications that administering the schemes brings. Accordingly we expect to receive Government funding to cover any additional costs faced by the Council.

Legal Implications

Section 47 of the Local Government Finance Act 1988, provides that local authorities have the discretion to reduce business rate payers' liability in accordance with rules set by them. The Council is, therefore empowered to implement the proposed amendments to the Policy as set out in this report. Further to this, the rules of entitlement, set out in the Policy comply with the statutory requirement to set out the rules for the exercise of the discretion.

Other Implications

No other implications have been identified.

5. ALTERNATIVE OPTIONS CONSIDERED

To implement the government sponsored schemes - SSB, Pub Relief and Newspaper Relief, the Council must exercise the general discretion referred to above. It is therefore open to the Council to decide not to

implement these new reliefs. However, in the interest of supporting the local economy and as all three schemes will provide assistance to businesses at no cost to the Council, this is not recommended.

Given the Council's current financial position (due to cuts in funding and increasing cost pressures the Council has had to make savings of over £350m over the past six years) it is felt that whilst the Council can implement the additional relief schemes based on Government criteria, (the basis for which reimbursement by Government is made), it is not felt that the Council can either continue with the Retail Relief Scheme which is no longer financially supported by Government or make those schemes that are financially supported by Government, i.e. SSB, Pub Relief and Newspaper Relief, more generous.

Consideration was given to not extending LWR into 2017/18. However, given the potential for the number of employers paying the Living Wage to increase, the positive impact this could have on tackling poverty and the Council's ability to work with the Living Wage Foundation to promote the take up of the relief, it was decided to extend the relief into 2017/18

Consideration was given to extending Retail Reoccupation Relief in to 2017/18. However given the lack of take up in 2016/17 and the limited options the Council has for influencing rateable occupation (which would trigger the granting of this relief) it was felt that this was not an effective use of Council resources.

6. REASONS FOR RECOMMENDATIONS

Updating the Policy by removing those reliefs that have expired contributes to the effective administration and collection of business rates and provides accurate information to businesses seeking assistance under the Policy.

Given the lack of take up of Retail Reoccupation Relief, it is felt there does not appear to be identifiable demand for this relief to merit extending the provision into 2017/18.

By extending LWR the Council is providing an incentive to employers to pay the Living Wage to their staff and this contributes to the Council's anti-poverty strategy.

By incorporating Support for Small Business Rate Relief, Pub Relief and Newspaper Relief into the Policy the Council is providing financial assistance to businesses which in turn helps to sustain employment and strengthen the local economy.

APPENDIX 1

SHEFFIELD CITY COUNCIL NON-DOMESTIC RATES (BUSINESS RATES) DISCRETIONARY RELIEF POLICY

Background

1. Local Authorities, under the Local Government Finance Act 1988 (LGFA) have the power to grant Discretionary Rate Relief to organisations that meet certain criteria. The amount of relief granted has the effect of reducing the amount the organisation owes in Non-Domestic Rates (Business Rates).

Purpose

2. The purpose of this Policy is to inform how the Council will exercise these discretionary powers and sets out the factors it will consider, including eligibility criteria, when deciding if relief can be awarded.

Conditions

3. An organisation may apply for more than one type of Business Rates Relief but discretionary relief will only be awarded after taking account all other reliefs it may qualify for. Consequently, discretionary relief will be applied against the applicant's net liability after all other reliefs have been applied.
4. Discretionary relief will not be awarded where it will result in an applicant receiving more state aid as is allowed under European Community law. (See section on 'State Aid' below).
5. The Council will not make an award of any of the reliefs under this policy unless it is satisfied that it is reasonable to do so, having regard to the interests of the city's council tax payers.

Types of Relief

6. The types of business rates reliefs covered in this policy are:
 - Top-Up Relief
 - Not For Profit Relief
 - Hardship Relief
 - Re-occupation Relief
 - Empty New Build Relief
 - Enterprise Zone Business Rate Relief
 - Investing In Sheffield Relief
 - Living Wage Relief
 - Support For Small Business Rate Relief
 - Pub Relief
 - Newspaper Relief

Top Up Relief

7. Under section 43 LGFA, charities and registered amateur sports clubs are entitled to an 80% reduction in their Business Rates liability. In this policy this is referred to as

Mandatory Relief. Where an applicant is in receipt of Mandatory Relief, the Council may award Discretionary Top-Up to Mandatory Relief (Top-up Relief).

Level of Relief

8. If successful, the applicant's liability will be reduced and may be reduced to nil. When deciding the level of award the Council will have particular regard to the degree of benefit the applicant brings to the citizens of Sheffield.
9. The start date of the relief will be from the date of the application. However, the Council may backdate the relief to an earlier date where it is satisfied the applicant had good cause for not applying earlier.

Criteria

10. The Council may only grant Top-Up Relief where it is satisfied that:
 - The applicant is in receipt of Mandatory Relief
 - The applicant provides significant benefit to the residents of Sheffield and would suffer extreme financial hardship in meeting the remaining liability.
 - The applicant's service is unique and urgently required by a group of vulnerable people who would cease to receive the service if the discretionary relief was not granted.

Process

11. An application form must be submitted to the Business Rates service along with any supporting information required.
12. Awards will be reviewed annually. Where the Council decides that the award should be varied or revoked, the applicant will be notified in writing of its decision.

Not for Profit Relief

13. Discretionary Relief for 'Not for Profit' organisations (Not for Profit Relief) may be awarded where the Council is satisfied that the applicant is an organisation falling within the description set out in Section 47 (5B) of the LGFA.

Level of Relief

14. If successful, the applicant's liability will be reduced and may be reduced to nil. When deciding the level of award the Council will have particular regard to the degree of benefit the applicant brings to the citizens of Sheffield.
15. The start date of the relief will be from the date of the application. However, the Council may backdate the relief to an earlier date where it is satisfied the applicant had good cause for not applying earlier.

Criteria

16. The Council may only grant Not for Profit Relief where it is satisfied that the applicant is an organisation established or conducted not for profit and whose main objectives are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts or where the property is wholly or mainly used for the purposes of recreation and all or part of it is occupied for the purposes of a club, society or other organisation not established or conducted for profit.
17. Further, the Council when deciding in individual cases whether to make an award, will have regard to the issues listed below. This list is not exhaustive and each case will be decided on its merits.
18. Accessibility
 - Whether the applicant's organisation is open to all sections of the community.
 - Whether membership is free.
19. Employment
 - If the applicant employs staff, whether they are Sheffield residents and how many.
 - Whether the applicant offers work placements or apprenticeships to the young people of Sheffield.
20. Financial Considerations
 - Financial standing of the applicant and their annual turnover
 - Whether funds are available to continue operations.
21. Other Considerations
 - Whether the applicant is affiliated to any local bodies.
 - Whether their membership is drawn from people mainly resident in Sheffield.
 - Whether the applicant's services will enhance community spirit, for example, by organising or participating in community events.
 - Whether the applicant organises community events.
 - Whether the applicant provides facilities or services that support or enhance those already provided by the Council.
 - Whether the applicant makes use of renewable energy and promotes sustainability.
22. Meeting of any of the above considerations alone does not automatically mean the applicant will be awarded Not for Profit Relief. The award and level of relief will be considered based on all available information and the level of benefit the applicant will bring to the residents, businesses and visitors of Sheffield.

Process

23. An application form must be submitted to the Business Rates service along with any supporting information required.
24. Awards will be reviewed annually. Where the Council decides to vary or revoke the award the applicant will be notified of its decision in writing.

Hardship Relief

25. Local Authorities, under s49 LGFA, have a general discretion to reduce an applicant's liability where they are satisfied the applicant would sustain hardship if it did not do so and it is reasonable for the authority to do so having regard to the interests of the city's council tax payers.

Level of Relief

26. If successful, the applicant's liability will be reduced and may be reduced to nil.
27. The start date of the relief will be from the date of the application. However, the Council may backdate the relief to an earlier date where it is satisfied the applicant had good cause for not applying earlier.

Criteria

28. The Council, when deciding in individual cases whether to make an award, will have regard to the issues listed below. This list is not exhaustive and each case will be decided on its merits.
- Is the Council satisfied that there are exceptional circumstances beyond the applicant's control and outside the normal risks associated with running a business?
 - Would the applicant sustain significant hardship if relief was not granted?
 - Will there be a severe and significant negative impact on the local community if the applicant goes out of business (e.g. loss of the only village shop or loss of jobs in an area)?
 - Is the Council satisfied that the applicant has not acted imprudently in incurring the hardship?
 - Has the applicant demonstrated that it has taken prompt action to mitigate any factors giving rise to hardship? This includes seeking advice, making arrangements to pay with creditors and reviewing its pricing policy.
 - Does the applicant provide a unique amenity regularly required by communities?
 - Is the Council satisfied that hardship is short-term and has the applicant demonstrated there is a realistic prospect of long term sustainability if Hardship Relief is awarded?

Process

29. An application form must be submitted to the Business Rates service along with any supporting information required.

Re-occupation Relief

30. The Council may award Re-occupation Relief where a property has become re-occupied between 1 April 2014 and 31 March 2016, after being unoccupied for 12 months or more, and when previously in use it was wholly or mainly used for retail purposes.

Level of Relief

31. Where the Council awards Re-occupation Relief the applicant's Business Rate liability will be reduced by 50%.
32. Relief will be available for 18 months from the first day the property becomes occupied as long as the first day falls between 1 April 2014 and 31 March 2016, subject to the property remaining continuously occupied.
33. The start date of the relief will be from the date of the application. However, the Council may backdate the relief to an earlier date where it is satisfied the applicant had good cause for not applying earlier.

Criteria

34. To award Re-occupation Relief, the Council must be satisfied that the property:
 - When previously in use was wholly or mainly used for retail purposes
 - Has been empty for 12 months or more immediately before its re-occupation
 - Is occupied and is being used for any use (not just retail use) except for properties wholly or mainly being used as betting shops, payday loan shops, and pawn brokers. For the avoidance of doubt, where a property is occupied for one of these purposes, for the purpose of this policy, they will not be treated as occupied.
 - Became re-occupied between 1 April 2014 and 31 March 2016.
35. For the purposes of this Policy retail use shall mean:
 - A. *Properties that were being used for the sale of goods to visiting members of the public:*
 - Shops (such as: florist, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, 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. *Properties that were being used for the provision of the following services principally 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
- DVD/ video rentals
- Tool hire
- Car hire

C. *Properties that were being used for the provision of the following services principally to visiting members of the public:*

- Financial services (e.g. banks, building societies, bureaux de change, payday loan shops, betting shops, pawn brokers)
- Other services (e.g. estate agents, letting agents, employment agencies)

36. This is not intended to be an exhaustive list. If a use is not listed, the Council will decide whether that use should be treated as retail use, having particular regard as to whether the use is similar to any of the uses listed above.

Other Considerations;

37. Where a new property has been created by a split or merger of property(s), the new property will be eligible for the Re-occupation Relief where at least half of the floor area of the new property is made up of retail properties that have been empty for 12 months or more.

38. The relief will run with the property rather than the ratepayer. So if a property is in receipt of Re-occupation Relief and a new ratepayer becomes liable for the property they will benefit from the remaining term of the relief.

39. Where a property is eligible for Enterprise Zone relief, that relief will be granted. If a property in an Enterprise Zone is not eligible for Enterprise Zone relief, or that relief has ended, Re-occupation Relief may be granted in the normal way.

40. As the grant of the relief is discretionary, the Council may choose not to grant the relief if they consider it appropriate, for example where granting the relief would go against its wider objectives for the local area or where it would not help a shopping area to thrive.

Process

41. An application form must be submitted to the Business Rates service along with any supporting information required.
42. The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis by the Business Rates service.
43. The relief will be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.
44. There is no rateable value limit for the property in respect of either the previous or re-occupied use.
45. The above are not intended to be exhaustive lists. If a use is not listed, the Council will decide whether that use should be treated as a shop, restaurant, cafe or drinking establishment, having particular regard as to whether the use is similar to any of the uses listed above.
46. The list below sets out the types of uses that the Council does not consider to be shops, restaurants, cafes and drinking establishments for the purpose of this relief.
 - A. *Properties that are being used for the provision of the following services to visiting members of the public:*
 - Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, betting shops, pawn brokers)
 - Other services (e.g. estate agents, letting agents, employment agencies)
 - Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
 - Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors)
 - Post office sorting office
 - B. *Properties which are not reasonably accessible to visiting members of the public.*

Process

47. An application form must be submitted to the Business Rates service along with any supporting information required.
48. The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis.
49. Where the net rate liability for the day after all other reliefs but before Retail Relief is applied, is less than the maximum level of Retail Relief, the maximum amount of relief awarded will be no more than the value of the net rate liability.
50. This will be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.

51. Where a property has undergone a split or merger, the relief will be applied on a day to day basis. A new property created as a result of a split or merger during the financial year, or where there has been a change of use, will be considered afresh for the relief on that day.
52. Where a property is eligible for Enterprise Zone relief, that relief will be granted. If a property in an Enterprise Zone is not eligible for Enterprise Zone relief, or that relief has ended, Retail Relief may be granted in the normal way.

Empty New Build Relief

53. The Council may award Empty New Build Relief where a non-domestic property is all unoccupied and is wholly or mainly comprised of qualifying new structures.

Level of Relief

54. Empty new build properties which have been completed after 1 October 2013 and before 30 September 2016 may be eligible for up to 100% relief, having the effect of reducing their Business Rate liability for up to a maximum of 18 months, commencing with the date the property was completed.

Criteria

55. To award the relief, the Council must be satisfied that a non-domestic property is all unoccupied and is wholly or mainly comprised of qualifying new structures.
56. For the purposes of this Policy the term “structures” means foundations and/or permanent walls and/ or permanent roofs.
57. The term “new” means completed less than 18 months previously and completed after 1 October 2013 but before 30 September 2016.
58. New structures are to be considered “completed” when the building or part of the building of which they form part is ready for occupation for the purpose it was constructed unless a completion notice has been served in respect of such a building or part of a building in which case it would be the date specified in that notice.
59. When deciding whether a property is wholly or mainly comprised of qualifying new measures “mainly” means more than half”.
60. Whilst the policy is not intended to capture properties that have been refurbished, it is intended to capture those that have been the subject of substantial structural construction so, for example, those properties that are built on existing foundations or built around a retained façade may benefit from the relief.

61. Where a property is created as a result of a split or merger of other properties or where the existing property is altered, for example, with an extension, the same test will apply, i.e. the property must wholly or mainly comprise of new structures completed within the necessary timeframe to benefit from the relief.
62. The relief will run with the property rather than the owner. So if a developer initially owns a property that qualifies for the relief he/she will be able to sell/lease the property with the benefit of the remaining term of the relief.

Process

63. An application form must be submitted to the Business Rates service along with any supporting information required.
64. The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis.
65. Where the net rate liability for the day after all other reliefs but before Empty New Build Relief is applied, is less than the maximum level of Empty New Build Relief, the maximum amount of relief awarded will be no more than the value of the net rate liability.
66. This will be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.
67. Where a property has undergone a split or merger, the relief will be applied on a day to day basis. A new property created as a result of a split or merger during the financial year, or where there has been a change of use, will be considered afresh for the relief on that day.
68. If a property in an Enterprise Zone is not eligible for Enterprise Zone relief, or that relief has ended, Empty New Build Relief may be awarded if the qualifying criteria are met.

Enterprise Zone Business Rate Relief

69. The Council may award Enterprise Zone Business Rate Relief where an applicant's business is located in the Sheffield City Region Enterprise Zone (Business Rates Relief site), meets the Sheffield City Region Local Enterprise Partnership (LEP) vision and was registered to pay national non-domestic rates before 31 March 2015.

Level of Relief

70. Applicants that occupy property in the Business Rates Relief site are eligible for a relief of up to 100% of the Business Rate liability.
71. The start date of the relief will be from the date of the application. However, the Council may backdate the relief to an earlier date where it is satisfied the applicant had good cause for not applying earlier.

Criteria

72. The applicant's business must be located within the defined boundary of the Business Rates Relief Site.
73. Applicants must demonstrate how their business supports the objectives of the Business Rate Relief Site and the LEP's vision. These details can be found at the website given below.
74. Their business must be registered to pay national non-domestic rates before 31 March 2015.

Process

75. An application form must be submitted to the Business Rates service along with any supporting information required.
76. Any decision relating to an application will be made in accordance with the Sheffield City Region Enterprise Zone Policy for Granting Business Rate Discount. Further details can be found at www.sheffield.gov.uk/business-economy/business-rates/relief-entitlement/enterprise-zone.

Investing in Sheffield Relief

77. This relief is intended to encourage and incentivise businesses to relocate, develop or invest in new operations in Sheffield which would make a significant and positive contribution to the local economy and/or the community.

Level of Relief

78. If successful, the applicant's Business Rate liability will be reduced and may be reduced to nil.
79. The start date of the relief will be from the date of the application. However, the Council may backdate the relief to an earlier date where it is satisfied the applicant had good cause for not applying earlier.

Criteria

80. The Council may only award relief where it is satisfied that the applicant is seeking to relocate, develop or invest in new operations in Sheffield which would make a significant and positive contribution to the local economy and/or the community.
81. Applicants will be required to engage with officers of the Council's economic development service, Creative Sheffield, to ensure there is a robust business case to support their application.

82. Further the Council, when deciding in individual cases whether to make an award and the level of any award, will have regard to the considerations listed below. This list is not exhaustive and each case will be decided on its merits.
83. *Accessibility*
- Whether the applicant's business is open to all sections of the community.
84. *Employment*
- Whether the applicant's employees are Sheffield residents and how many.
 - Whether the applicant offers work placements or apprenticeships to the young people of Sheffield.
 - Whether the business will significantly improve employment opportunities for Sheffield residents.
85. *Financial Considerations*
- The likelihood of the applicant's business being sustainable where relief is withdrawn.
 - The likelihood of the business contributing to business rates growth in the city, for example through building new premises or developing existing ones.
 - The degree to which an award of relief may lead to a reduction in the current level of Business Rates income.
 - The financial standing of the applicant and their business.
86. *Other Considerations*
- Whether the applicant's business is innovative or unique.
 - The prospect of their business attracting other businesses to the city or encouraging and supporting existing businesses to develop.
 - The prospect of their business attracting new visitors or customers to the city.
 - The prospect of their business promoting and raising the profile of the city.
 - Whether the applicant is affiliated to any local bodies.
 - Whether the applicant's business will enhance community engagement, for example, by organising or participating in community events.
 - Whether they make use of renewable energy and promote sustainability.
 - The period to which the applicant is committed to keeping their business in Sheffield.
 - Whether they provide facilities or services that may relieve the Council of the need to do so.
87. Meeting of any of the above considerations alone does not automatically mean the applicant will be awarded relief. The award and level of relief will be considered based on all available information and the level of benefit the applicant will bring to the local economy and/or the community.

88. As a condition of entitlement, where an applicant moves their business out of Sheffield within 2 years of receiving the relief, the relief in respect of the relevant period may be terminated, increasing their Business Rate liability. Businesses, when signing up for the relief, will be required to agree to this.

Process

89. An application form must be submitted to the Business Rates service along with any supporting information required.
90. Applications will be considered from individual businesses or groups of businesses who have a common business plan.

Living Wage Relief

91. The Council may award Living Wage Relief (LWR) for a non-domestic property where the rate-payer of that property is an employer who is accredited with the Living Wage Foundation (LWF) and where the property has a Rateable Value (RV) of £50,000 or less.
92. This relief is available in respect of the financial year 2016/17 and 2017/18. It will therefore be available in respect of the Business Rate liability for the periods 01 April 2016 to 31 March 2018. The operation of the LWR will be reviewed when 100 LWR awards have been made. While the review is ongoing, no LWR awards will be made.

Level of Relief

93. The level of relief will be up to £5,000 in each year from 01 April 2016 to 31st March 2018, having the effect of reducing the applicant's Business Rate liability by up to that amount. The amount will not vary with the rateable value and no taper will apply.
94. The Council may only make an award where it is satisfied the criteria are met and all other eligible reliefs have been applied.
95. The start date of the relief will be from the date of the application. However, the Council may backdate the relief to an earlier date where it is satisfied the applicant had good cause for not applying earlier.

Criteria

96. To award the relief, the Council must be satisfied that the organisation is accredited with the LWF. The Council must also be satisfied that the organisation's application for accreditation with the LWF was made on or after 1st April 2016.
97. LWF accreditation must be in respect of employees working at the property in Sheffield.

98. The property for which LWR is being claimed must have a RV of £50,000 or less.
99. For the purposes of this policy, where an organisation is liable for more than one property with a combined RV of over £50k, no relief will be awarded for any of those properties.
100. However, relief of up to £5000 may be awarded to an organisation in respect of more than one property for which that organisation is liable if the above criteria are met.
101. The LWF monitors organisations and should any business break the agreement within 2 years of signing it then any relief awarded may be re-claimed.
102. In addition, a LWR award may not be made where the review, referred to in paragraph 92 above, is ongoing.

Process

103. An application form must be submitted to the Business Rates service along with any supporting information required.
104. The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis.
105. Where the net rate liability after all other reliefs but before LWR is applied, is less than the maximum level of LWR, the maximum amount of relief awarded will be no more than the value of the net rate liability.
106. This will be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.
107. A new property created as a result of a split or merger during the financial year, or where there has been a change of use, will be considered afresh for the relief on that day.
108. Where a property is eligible for Enterprise Zone relief, that relief will be granted. If a property in an Enterprise Zone is not eligible for Enterprise Zone relief, or that relief has ended, Living Wage Relief may be granted in the normal way.

Support for Small Business Rate Relief

109. The Council may award Support for Small Business Rate Relief (SBB) to any business who as a result of the National Revaluation of Business Rates, which took effect from 1 April 2017, have lost some or all of their Small Business Rate Relief (SBRR) or Rural Rate Relief (RRR)
110. SBB will be available in respect of the financial years 2017/18, 2018/19, 2019/20, 2020/21 and 2021/22.

Level of Relief

111. SSB will be applied after any Statutory Transitional Relief or SBRR. Therefore SSB will further limit the impact of any increase in 2017/18 rates liabilities for those businesses, regardless of their 2017/18 RV, who have lost some or all of their SBRR or RRR. SSB will have the effect of restricting the increase in business rate and this may be done by one of two methods. The method applied in an individual application will be the one that will result in the largest increase. The two methods are as follows:

- in year one of the relief, i.e. 2017/18, any increase in rates payable will be limited to 5% of the increase (plus inflation) or
- the increase in rates will be limited to a cash value of £600 per year (£50 per month).

112. SSB will be in place for the financial years 2017/18, 2018/19, 2019/20, 2020/21 and 2021/22. So long as properties meet the eligibility criteria in future years, they will receive the relief for the full 5 years.

113. In future years, i.e. 2018/19, 2019/20, 2020/21 and 2021/22, increases will either be capped at 7.5%, 10%, 15% and 15% or by a cash minimum value of £600 per year, which ever, in an individual case, will result in the greatest increase in business rates.

114. Further detail on the level of relief is provided in the Appendix attached to this policy.

Criteria

115. The criteria for awarding SSB is set out in the Appendix attached to this Policy.

Condition

116. In addition to the conditions set out in paragraphs 3 to 5, of this Policy, the condition set out at 117 below applies to SSB.

117. An award of SSB is conditional on the applicant continuing to meet the eligibility criteria. Where the applicant experiences a change of circumstances, which may affect whether they continue to meet the eligibility criteria and/or the level of the relief they receive, their entitlement will be reassessed and the amount of relief maybe be recalculated. The amount of relief they receive maybe recalculated to nil. The change in circumstances, for the purpose of the assessment, shall be treated as having effect on the date on which the change actually occurs.

Process

118. An application form must be submitted to the Business Rates service along with any supporting information required.
119. The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis.
120. Where the net rate liability after all other reliefs but before SSB is applied, is less than the maximum level of SSB, the maximum amount of relief awarded will be no more than the value of the net rate liability.
121. This will be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.
122. A new property created as a result of a split or merger during the financial year, or where there has been a change of use, will be considered afresh for the relief on that day.
123. Where a property is eligible for Enterprise Zone relief, that relief will be granted. If a property in an Enterprise Zone is not eligible for Enterprise Zone relief, or that relief has ended, Support for Small Business Rate Relief may be granted in the normal way.

Pub Relief

124. Pub Relief aims to provide financial assistance to traditional type pubs, given that the pub industry has seen some of the highest rises in RV following the 2017 revaluation.
125. The Relief applies from 1st April 2017 until the 31st March 2018.

Level of Relief

126. The Relief is intended to provide any pub with an RV up to £100,000 with a £1,000 reduction in their rates bill for 2017/18.
127. Pub Relief will be applied after statutory Transitional Relief and any entitlement to SBRR or SSB Rate relief.

Criteria

128. To be entitled to Pub Relief the Council must be satisfied that the establishment which is the subject of an application is a traditional pub.
129. For the purposes of this Policy a traditional pub has the following characteristics;
 - is open to the general public
 - allows free entry other than when occasional entertainment is provided

- allows drinking without requiring food to be consumed
- permits drinks to be purchased at a bar

130. The following establishments shall not be treated as a traditional pub and are therefore not eligible for Pub Relief :

- restaurants
- cafes
- nightclubs
- hotels
- snack bars
- guesthouses
- boarding houses
- sporting venues
- music venue
- festival sites
- theatres
- museums
- exhibition halls
- cinemas
- concert halls
- casinos

The above is not intended to be an exhaustive list. Where it is unclear whether an establishment is a traditional pub, the Council shall decide, on the circumstances of the case, whether it, for the purposes of this Policy, shall be treated as a traditional pub.

131. Pubs with RV of £100,000 or above will not be eligible for assistance under this scheme.

132. Unoccupied pubs will not qualify for this relief.

Process

133. An application form must be submitted to the Business Rates service along with any supporting information required.

134. The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis.

135. Where the net rate liability after all other reliefs but before Pub Relief is applied, is less than the maximum level of Pub Relief, the maximum amount of relief awarded will be no more than the value of the net rate liability.

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

137. A new property created as a result of a split or merger during the financial year, or where there has been a change of use, will be considered afresh for the relief on that day.

138. Where a property is eligible for Enterprise Zone relief, that relief will be granted. If a property in an Enterprise Zone is not eligible for Enterprise Zone relief, or that relief has ended, Pub Relief may be granted in the normal way.

Newspaper Relief

139. This relief is intended to provide relief for traditional local newspapers

140. The relief will be available in respect of financial years 2017/18 and 2018/19.

Level of Relief

141. The Relief will provide up to £1,500 relief for two years from April 2017

142. Business with more than one office in Sheffield can only claim a discount on one of the offices.

143. Premises shared by more than one local newspaper titles would only be eligible for a single discount. By way of example:

- A local newspaper with two offices would be able to claim a discount for only one of them, and ;
- An office shared by three separate local newspaper titles would only be eligible for a single discount

Criteria

144. To award the relief, the Council must be satisfied that the premises use is as a traditional local newspaper. Therefore relief shall not be awarded where;

- The premises are not wholly or mainly used as office space by journalists and reporters.
- The premises are only used to produce on line publications.
- The premises are only used to produce magazines
- The premises are only used to produce papers that are not local

Process

145. An application form must be submitted to the Business Rates service along with any supporting information required.

146. The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis.
147. Where the net rate liability after all other reliefs but before Pub Relief is applied, is less than the maximum level of Pub Relief, the maximum amount of relief awarded will be no more than the value of the net rate liability.
148. This will be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.
149. A new property created as a result of a split or merger during the financial year, or where there has been a change of use, will be considered afresh for the relief on that day.
150. Where a property is eligible for Enterprise Zone relief, that relief will be granted. If a property in an Enterprise Zone is not eligible for Enterprise Zone relief, or that relief has ended, Pub Relief may be granted in the normal way.

State Aid

151. When an authority, on the local or national level, grants public resources to selected 'undertakings' (entities which are engaged in economic activities), this is known as state aid. State aid has the potential to distort competition and negatively affect free competition and trade between European Union Member States. Therefore the provision of state aid, depending on the circumstances, maybe unlawful. Business Rate relief falls within the definition of state aid. However the 'De Minimus' rules, set out in regulations, provide that the grant of public resources, up to set amounts, is lawful.
152. Consequently, discretionary relief will not be awarded in any circumstances where it appears to the Council that an award will result in the applicant receiving state aid above the relevant permitted limit under the De Minimus regulations.
153. Each application must be fully completed to include a statement signed by the appropriate person representing the applicant setting out the amount of state aid, including but not limited to, the discretionary relief received under this policy which the ratepayer or subsidiary company has received in the previous three years. Applications will not be considered unless this statement has been fully completed.
154. Relief will be reviewed on an annual basis to ensure that the state aid limits are not breached.
155. Relief awarded incorrectly or above state aid limits is recoverable.
156. Further details about state aid can be found at the following Government website, www.bis.gov.uk/policies/europe/state-aid.

Applications and Reapplications

157. Applications must be made in writing using the appropriate forms provided by the Council's Business Rates service, see <https://www.sheffield.gov.uk/business-economy/business-rates/relief-entitlement.html>
158. Completed application forms must be signed by a person authorised by the applicant to claim the relief.
159. Applicants must supply any supporting information as required by the Council.
160. Where the Council requires additional information, the applicant will be asked to provide it within one month of the request.
161. If the applicant has not provided the requested information within one month, the Council will decide whether to award relief and if so, the level of the relief, on the information in its possession. In some cases, the Council may verify the information given by the applicant by contacting third parties and other organisations.
162. An award of relief at any time does not guarantee that a further award will be made on reapplication even if the applicant's circumstances have not changed.

Decision Making

163. All applications will be considered and decided by officers of the Council's Business Rates team except for Top-Up Relief, Not for Profit Relief and Hardship Relief, where the decision will be made by a Finance Manager or above and Investing in Sheffield Relief, where the decision will be made by an Assistant Director of Finance or above.

Notifications

164. The Council will inform the applicant in writing of the decision regarding their application for a relief under the Policy within seven days of the Council making the decision.
165. Where the application is not successful, the notification will provide reasons why the Council has decided not to award relief and the applicant's right to ask for the decision to be reviewed.
166. Where the application is successful, the notification will include the following information:
 - The period of the award.
 - The amount of relief to be awarded.
 - Details of when an amended Non Domestic Rate Demand will be issued.
 - The right to ask for a review of the decision.

Right of Review

167. An applicant may request a review of a decision made under the Policy. The request needs to be in writing to the Business Rates service and must include details as to why the applicant believes the decision is wrong, for example, whether the published criteria have been properly adhered to.
168. The reviewing officer will not have been party to the original decision and will be of at least equivalent seniority to the original decision-maker.
169. The outcome of the review will be notified to the applicant within 14 days of the review decision.

Fraud

170. The Council is committed to fighting fraud in all its forms. The Council may commence criminal proceedings against an applicant who tries to fraudulently apply for any relief under this policy by falsely declaring their circumstances or providing a false statement or evidence in support of their application.

Appendix: Eligibility Criteria and Level of Relief for operation of the SSB scheme

Criteria

Day 1 Eligibility for the Scheme

For 1 April 2017, the supporting small businesses (SSB) relief scheme applies to hereditaments for which:

- a. the chargeable amount for 31 March 2017 is calculated in accordance with section 43(4B) or (6B),
- b. in relation to 43(4B) the value of E for 31 March 2017 is greater than 1
- c. the chargeable amount for 1 April 2017 is found in accordance with section 43(4), 43(4B), 43(6A) or where regulations 12(3), 12(7) or 12(9) of the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016 No. 1265 applies, and
- d. the chargeable amount for 1 April 2017 is more than (£600/365) higher than the chargeable amount for 31 March 2017.

Where for 31 March 2017 the chargeable amount has been found under section 47, then eligibility for SSB should be determined as if section 47 did not apply.

Continued eligibility for the scheme after 1 April 2017

After 1 April 2017, the Supporting Small Businesses (SSB) scheme will cease to apply where:

- a. the chargeable amount for a day found under the SSB scheme is the same as or more than the chargeable amount found in the absence of the SSB scheme. This ensures that where, for example, the minimum increase in the chargeable amount in the SSB scheme would take the bill above the level it would otherwise have been then the hereditament will drop out of the SSB scheme. It also ensures that where, for example, with effect from after 1/4/17, the hereditament becomes eligible for 100% Small Business Rate Relief then they also fall out of the SSB scheme,
- b. the chargeable amount for a day would otherwise fall to be found by section 43(5) or where paragraph 12(5) or sub-paragraphs 2(4), 3(4), 4(4), 5(4) of Schedule 2 of the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016 No. 1265 applies (charities or registered community amateur sports clubs), or

- c. the hereditament for a day is unoccupied.

Furthermore, where the ratepayer 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 (and therefore was still entitled to small business rate relief on 31 March 2017), then eligibility for the SSB scheme will cease at the end of that 12 months period of grace.

Hereditaments which cease to be entitled to Supporting Small Businesses for a day cannot return to eligibility if their circumstances change from a later day. For example, if a property falls unoccupied it will not then be eligible for Supporting Small Businesses relief if it subsequently becomes occupied again.

Level of Relief

Chargeable Amount under the Supporting Small Businesses Scheme

Where the Supporting Small Businesses scheme applies then the Council will apply a chargeable amount under section 47 of the 1988 Act for the period 1 April 2017 to 31 March 2022 found in accordance with the rules in [Part 1 to Part 3 of] the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016 No. 1265 subject to the following changes:

- a. BL for 2017/18 is the chargeable amount for 31 March 2017 x 365 (on the assumption that section 47 did not apply for 31 March 2017). This ensures the starting base liability for hereditaments eligible for SSB include the SBRR or rural rate relief for 31 March,
- b. Where a certificate has been issued under regulations 17 or 18 then BL for 2017/18 should be found in line with a) above but on the assumption that the rateable value in the rating list was the rateable values as certified,
- c. References to “(BL x AF)” are to “(BL x AF) or (BL + 600) whichever is the greater”. This ensures the bill increase is the greater or £600 or the increase under the caps in the transitional relief scheme,
- d. AF is found in accordance with regulation 10(6) irrespective of the rateable value of the hereditament for 1 April 2017. This ensures only the cap on increases for small properties is applied in the SSB scheme irrespective of the actual rateable value of the hereditament,
- e. regulation 12(6)(b) is omitted. This ensures SBRR is not also applied to the capped bill in the SSB scheme. This avoids double counting of relief as illustrated at paragraph 23 above,

- f. the reference to “2” in regulation 12(8) is “1”. This ensures rural rate relief is not also applied to the capped bill in the SSB scheme. This avoids double counting of relief,
- g. “U” is taken to have a value of 0 throughout. This ensures that any hereditament whose rateable value is £51,000 or more does not have to pay the 1.3p supplement whilst eligible for SSB relief,
- h. for a year (the year concerned) other than 2017/18, BL is (BL x AF) or (BL + 600) from the year immediately the year concerned whichever is the greater.

No change is made to the meaning of NCA. However, as discussed above, eligibility for Supporting Small Businesses relief ceases when the chargeable amount for a day found under the Supporting Small Businesses scheme is the same as or more than the chargeable amount found outside the scheme.

For the avoidance of doubt, the rules for changes in rateable value with effect from after 1 April 2017 (regulation 13) will continue to apply as normal subject to the amendments above. This ensures that, for example, later increases in rateable value are paid in full in the normal way.

Splits and mergers

The SSB scheme will apply to hereditaments:

- a. coming into existence because of the circumstances described in paragraph 1 of Schedule 2 of Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016 No. 1265,
- b. where one of the hereditaments from which the new hereditament was formed in whole or in part was for the day immediately before the creation day eligible for the SSB scheme, and
- c. the circumstances described in the Continued eligibility for the scheme after 1st April 2017 section above, do not apply for the creation day in respect of the hereditament.

After the creation day, the SSB scheme will cease to apply in the circumstances described above.

For hereditaments meeting the criteria in the Splits and Mergers paragraph above, the Council will apply a chargeable amount under section 47 of the 1988 Act found in accordance with the following principle:

- a. that the protection offered by the SSB scheme (that the bill will not rise by the greater of £600 p.a. or the transitional relief caps) will

continue to apply in principle to that part of the newly created hereditament which was immediately before the creation day in the SSB scheme, and

- b. that increases (or reductions) in overall rateable value arising from the split or merger are not subject to the protection of the SSB scheme.

For simple splits of hereditaments previously eligible for SSB, authorities may wish to simply apportion the chargeable amount in the SSB scheme for the hereditament before the split in line with the change in rateable value from the split (i.e. in line with the principle in Schedule 2 of Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016 No. 1265).

For mergers and reorganisations, authorities will have to estimate the degree to which, in line with the principle of the SSB scheme, that part of the hereditament which was formerly eligible for SSB should continue to receive support under the SSB scheme. DCLG does not expect authorities to seek any formal apportionments of the rateable value for this