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# Draft Discretionary Rate Relief Policy



# Document Control

Document Title: **Non- Domestic Rates**

**Relief Policy: document incorporating areas of local discretion**

**February 2020**

## Summary

Publication Date	February 2020
Related Legislation / Applicable Section of Legislation	Section 44a, Section 47 and Section 49 of the Local Government Finance Act 1988 which has been amended by Section 69 of the Localism Act 2011
Related Policies, Strategies, Guideline Documents	
Replaces	
Joint Policy (Yes/No)	No
Name of Partner(s) if joint	
Policy Owner (Name/Position)	Rochdale Borough Council
Policy Author (Name/Position)	Keith Mackenzie, Head of Revenues and Benefits

## Review of Policy

Last Review Date	February 2020
Review undertaken by	Keith Mackenzie
Next Review Date	February 2021

## Document Approvals

This document requires the following approvals.

Name	Title	Date of Issue	Version Number
	Full Council	28 February 2020	Draft 2020/21 Policy
	Chief Finance Officer and Cabinet Member for Finance	March 2020	2020/21 Policy

## **1. Introduction**

The Council recognises the importance of supporting local businesses and organisations to promote the provision of local facilities, economic growth, employment and investment to improve prosperity across the Borough and in particular support the most disadvantaged communities.

Councils have the power to grant discretionary rate relief to organisations that meet certain criteria. Public funds are not however unlimited, a proportion of the costs of relief granted is borne by council tax payers. In making decisions the Council must be confident that money invested in this way will be repaid in economic and/or community benefit.

The powers for granting discretionary rate relief by Councils is provided in Section 44a, Section 47 and Section 49 of the Local Government Finance Act 1988 which has been amended by Section 69 of the Localism Act 2011 to incorporate wider powers to grant relief under local discretion.

This policy document outlines the areas of local discretion and the Council's approach to the various discounts. There is also a summary provided of the reliefs which are awarded by Government under national initiatives.

## **2. Mandatory Rate Relief**

The Local Government Finance Act 1988 requires the Council to grant Mandatory Rate Relief of 80% of the business rates to the following categories of business rates payers:

- Charities where the property is wholly or mainly used for charitable purposes
- Registered Community Amateur Sports Clubs (CASCs) for any club with the appropriate registration with HMRC.
- Rural shops – (not applicable in Rochdale Borough)

## **3. Discretionary Rate Relief Scheme**

Section 47 of the Local Government Finance Act 1988 requires the Council to maintain a Discretionary Rate Relief Scheme to award up to 100% business rates relief in respect of premises occupied by certain organisations and/or for certain purposes. These organisations being for Rochdale Borough Council:

- a) A further award to charities up to 100%, known as discretionary "top-up" relief, where the property is wholly or mainly used for charitable purposes.
- b) A further award of 20% on top of mandatory relief to registered Community Amateur Sports Clubs (CASCs).
- c) Other non-profit making organisations and the property is used for charitable purpose concerned with education, social welfare, science, literature or the fine arts; or is used wholly or mainly for recreation by a not-for-profit club or society

In determining applications the Council may

- Grant relief up to a maximum of 100% of the business rates due;
- Grant relief for a sum less than 100% of the business rates due; or
- Refuse any application for additional relief.

Detailed below are the criteria applied.

### **3.1. Charities**

Mandatory rate relief of 80% is granted to charities in the following circumstances:

- The ratepayer of a property is a charity or the trustees of a charity, and
- the property is wholly or mainly used for charitable purposes

The Council will consider applications for a 20% discretionary rate relief 'top up' from charities based on their own merits, on a case by case basis.

In determining the application the following matters will be taken in to consideration:

- Property rateable value of £19,999 or less.
- 'Top-up' relief of 20% is only awarded to local charities who can demonstrate financial hardship.
- Unless a special case for financial hardship can be proved, 'top-up' relief to national charities including charity shops or other premises should not be granted.
- Local charity to be defined those whose objects provide that the activities of the Charity shall be exclusively within the Rochdale Borough or that the persons who may benefit from the activities of the Charity shall be residents of Rochdale Borough and whose main office is situated within the Rochdale Borough.
- Academy, Free, Foundation, Faith and Trust Status schools are classified as charities and therefore receive 80% mandatory relief. 'Top- up' relief should not be granted unless a special case for financial hardship can be proved.

### **3.2 Registered Community Amateur Sports Clubs and other Non Profit Making Sports & Leisure Clubs**

Community Amateur Sports Clubs (CASC's) receive 80% Mandatory Relief for any club with the appropriate registration with HM Revenues and Customs. To qualify as a CASC the club must be set up with a formal constitution (for example its rules or memorandum and articles of association). The club's written constitution must require the club to meet certain conditions, and the club must also be able to show that it actually meets these conditions in practice. The conditions are that:

- the club must be open to the whole community

- the club's main purpose must be to provide facilities for eligible sports, and to encourage people to take part in them
- the club must be organised on an amateur basis
- the rateable value of the property being used must be £19,999 or less

The club must also be able to show that:

- it is set up and provides its facilities in an eligible area
- it is managed by fit and proper persons

CASCs which qualify for the mandatory business rates relief can also apply to the Council for a top up discretionary rate relief up to a maximum of 20%. Other non-profit making sports and leisure clubs who do not qualify for mandatory relief can apply for discretionary relief.

The Council will consider applications for a discretionary rate relief top up from CASCs and discretionary relief for non-profit making sports and leisure clubs based on their own merits, on a case by case basis.

The Council will consider applications that can demonstrate;

- The contribution that the organisation makes to the Rochdale Borough
- Membership: fees must be affordable for most people residing in Rochdale Borough, should be open to everybody, and 75% of members must be Rochdale Borough residents
- Every effort should be made by the organisation to encourage open membership, from groups such as young people, disabled persons, ethnic minorities, armed and ex armed forces personnel and unemployed people: In particular;
  - membership should consist of at least 25% of people from such groups
  - the facilities should be made available to local communities other than members
  - differential fee structures to encourage such groups to apply
- Schemes of education or training for such groups must exist.

The Council will take into account whether the building is accessible to disabled people or if reasonable attempts are being made to make it accessible.

### **3.3. Non Profit Making Organisations (other than charities, CASC's, or other sports and leisure clubs) and Community Interest Companies (CIC)**

Non Profit Making Organisations who are not classed as registered charities or CASC's, can apply for Discretionary Rate Relief which can be paid at any rate up to 100%. Such organisations would include; philanthropic, religious, concerned with education or social welfare, science, literature, fine arts, or wholly or mainly for recreation by a not-for-profit club or society.

Community Interest Companies (registered with the Office of the Regulator of Community Interest Companies) can apply for Discretionary Rate Relief which can be paid at any rate up to 100%.

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

The Council will consider applications from organisations that can demonstrate;

- The rateable value of the property being used must be £19,999 or less
- The activities of the organisation must support at least one of the Council's priorities.
- The organisation must promote its services for the benefit of Rochdale Borough residents.
- Membership of the organisation must be open to all members of the community, regardless of ability, subject to the physical capacity of the premises.
- Membership rates must be affordable for most people residing in Rochdale Borough. Comparisons will be made with similar organisations to ensure a level of consistency.
- Organisations must actively encourage membership from groups such as young people, older age groups, persons with a disability, ethnic minorities, armed and ex-armed forces personnel and unemployed people. This should be demonstrated by either;
  - a) differential fee structures for such groups; or
  - b) provision of schemes of training or education for such groups; or
  - c) a membership which consists of at least 25% of people from such groups.
- The facilities of the organisation should, where practical, be made available to people, bodies, or groups other than members, e.g. from schools, casual public sessions, etc..., subject to licensing requirements.
- The organisation must be affiliated to a local or national organisation where one exists.
- At least 75% of the membership must be made up of Rochdale Borough residents
- The organisation must provide a copy of their constitution and a copy of the last 2 years audited annual accounts where available.

### **3.4. Period of Award**

The period of the award will normally be for the financial year that the application was made and will be reviewed on an annual basis thereafter.

### **3.5. Changes in Liability**

The organisation must inform the Council of any change in circumstances, which might affect eligibility for relief.

#### **4. Part Occupied Relief**

The Council has discretion under Section 44a of the Local Government Finance Act 1988 to allow relief to be provided to a business that is partially occupying a property for a short period of time (no more than 6 months), typically, but not exclusively, as part of a phased move in or phased move out.

The Council will consider each case on its merits and will take into account the following;

- The circumstances leading to the part occupation
- The intention of the ratepayer to fully occupy or vacate the premises
- Evidence that it will be empty only for a short period of time
- The financial implications of granting relief

The amount of relief that can be granted will be determined by the Valuation Office Agency, who will assign a rateable value to the unoccupied element of the property.

Relief will not be granted if an application is received after the property has become fully occupied or fully empty.

#### **5. Hardship Relief**

The Council has discretion under Section 49 of the Local Government Finance Act 1988, to give up to 100% relief in exceptional circumstances where hardship is being experienced. However, awarding relief can only be considered on condition that it would be reasonable to do so having regards to the interests of council tax payers in general.

Hardship must be an unforeseen change in economic circumstances causing financial or other difficulties or due to extraordinary external factors causing the failure of a business or preventing premises from being re-let or re-occupied. The main consideration is of the effect a loss of a business will have on local council tax payers, e.g. the loss of a major employer or the only provider of an essential service in an area.

As there is no statutory definition of hardship, the Council decides each case on its own merits. When deciding whether to award hardship relief, as well as being confident that the organisation is experiencing hardship, the principle consideration will be that any relief is in the best interests of the council taxpayers, as the Council must bear the cost of any relief granted.

The period for the award to be determined on a case by case basis.

#### **6. Local Business Rate Discount – Government funded temporary reliefs**

In the Chancellor's Budget Statements of 2016, 2017, 2018 and 2020 the Government has determined that local authorities can use their discretionary powers under Section 47 of the Local Government Finance Act 1988 to

provide reliefs to support national initiatives. The reliefs granted will be reimbursed in full by Government by way of specific grants to local authorities.

### **6.1. Local Newspapers**

£1,500 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 8 years from 1 April 2017.

### **6.2 Retail Relief**

Properties that have a rateable value below £51,000, are occupied and wholly or mainly being used as shops, restaurants, cafes and drinking establishments will be eligible to receive a one third discount off their bill. The discount is increased to one half from 1 April 2020 and is extended to include cinemas and music venues. Further details and the full eligibility criteria are available in Appendix 1. The discount is available for 2 years from 1 April 2019.

### **6.3 Pub Relief**

£1,000 discount for pubs that have a rateable value below £100,000. To be eligible, the pub must be open to the general public. Further details and the full eligibility criteria are available in Appendix 2. The discount is available for 1 year from 1 April 2020 and will be awarded in addition to Retail Relief.

### **6.4 Supporting Small Businesses**

This is a scheme for ratepayers who are losing some or all of their small business rate relief as a result of a large rateable value increase following the 2017 revaluation. The scheme is available for 5 years from 1 April 2017.

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) An annual percentage increase 5%, 7.5%, 10%, 15% and 15% in the financial years 2017/18 to 2021/22, all plus inflation. Unlike the transitional relief scheme, for the first year of the scheme the percentage increase is taken against the bill for 31 March 2017 after small business rate relief, or
- b) a cash value of £600 per year (£50 per month). This cash minimum increase ensures that those ratepayers paying nothing or very small amounts in 2016/17 after small business rate relief are brought into paying something.

In the first year of the scheme (2017/18), 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.

## 6.5 Discretionary Relief Scheme

The Government has established a £300m discretionary fund over 4 years from 2017/18 to support businesses who have experienced a large increase in their rateable value following the 2017 revaluation and were most affected by the change. The £300m will cover 4 years from April 2017, as follows:

<b>National Allocation (£300m)</b>			
2017/18	2018/19	2019/20	2020/21
£175m	£85m	£35m	£5m

<b>Rochdale Allocation (£444k)</b>			
2017/18	2018/19	2019/20	2020/21
£259k	£126k	£52k	£7k

Government based it's local allocations on the following:

- a) the rateable property has a rateable value for 2017/18 that is less than £200,000, and
- b) the increase in the rateable property's 2017/18 bill is more than 12.5% compared to its 2016/17 bill (before reliefs).

To qualify for relief, the following conditions must all apply:

- the rateable property has a 2017 rateable value less than £200,000;
- the rateable property must have been on the Valuation Office Agency rating list on 1 April 2016 and 1 April 2017;
- the ratepayer must have been in continual occupation before 1 April 2017; and
- after all other reliefs have been applied, the increase in the billing amount is more than 5% of 2016/17.

The following are not eligible for relief under this scheme:

- businesses who will benefit from the Supporting Small Businesses relief scheme;
- businesses whose increase in the amount they are paying in 2017/18 compared to 2016/17 is less than £50 per month (£600 per annum), to mirror the maximum protection for small businesses in the Supporting Small Businesses relief scheme;
- pubs who will benefit from the Support for Pubs relief scheme;

- if the ratepayer does not have employees based in the hereditament on which relief is being sought;
- ratepayers operating an intermittent business rate mitigation/avoidance scheme;
- ratepayers with an outstanding rateable value appeal with the Valuation Office Agency (as the Council will be unable to determine the financial impact on the business until the appeal is concluded);
- national companies, national charities and public bodies;
- property owners and/or occupiers with more than one property in the Borough, will only be able get this relief on one property; and
- hereditaments wholly or mainly being used as betting shops, payday loan shops, pawnbrokers or shisha bars.

Eligible businesses will receive a fixed relief award of £90 in 2020/21.

## **7. Local Business Rate Discount – Council determined schemes**

- 7.1. On 15 December 2014 the Council's Cabinet decided to introduce a local discount scheme with the aim of bringing back into use empty properties in Rochdale Town Centre to support and sustain the vitality and diversity of Yorkshire Street, the western end of Baillie Street, The Walk and South Parade. Under the scheme the 23 properties identified would receive a Local Business Rates Discount on the remaining liability (after the award of any Government reliefs) of 80% in 2015/16 and 50% in 2016/17. At the end of the 2 year period the discount will stop. Determination and award of any discount will be in accordance with the eligibility criteria determined by the Council's Cabinet.
- 7.2. In March 2016, the Chief Executive used delegated powers to revise the Rochdale Town Centre scheme and create discount schemes for Heywood and Middleton Town Centres.
- 7.3. Rochdale Town Centre:
- Existing scheme is to be extended for a third year. Discount to be 80% in year 1, 50% in year 2 and 30% in year 3.
  - The 3 year period is to run from the date of occupation and not April to March each financial year.
- 7.4. Heywood Town Centre
- To support and sustain the vitality and diversity of the town centre area including Market Street, Market Place, Bridge Street and York Street within the defined town centre boundary (excluding units within the shopping centre).
  - Discount on the remaining liability (after the award of any Government reliefs) to be 80% in year 1, 50% in year 2 and 30% in year 3.
  - The 3 year period is to run from the date of occupation and not April to March each financial year.

#### 7.5. Middleton Town Centre

- To support and sustain the vitality and diversity of Long Street, Wood Street, Market Place and Middleton Gardens within the defined town centre boundary (excluding units within the shopping centre).
- Discount on the remaining liability (after the award of any Government reliefs) to be 80% in year 1, 50% in year 2 and 30% in year 3.
- The 3 year period is to run from the date of occupation and not April to March each financial year.

7.6. On 12 February 2015 the Council's Cabinet decided to give delegated powers to the Chief Executive, in consultation with The Leader of the Council, to grant a local business rate discount to support the creation and/or safeguarding of jobs in the borough. Any decision will consider the interest of the council tax payers in relation to any cost and benefit to the Council and the decision will support the strategic objectives of the Council.

### 8. **Application and Appeals Process**

All applications for discretionary non domestic rate relief should be made in writing, where possible using the Council's application forms. It is the responsibility of the organisation applying for relief to provide sufficient information and documentary evidence to support applications.

If an applicant is dissatisfied with the outcome of their application they can ask for a review of that decision by the Chief Finance Officer.

### 9. **State Aid**

State Aid law is the means that regulates state funded support to businesses. Financial support from public bodies to businesses could have the potential to be anti-competitive and affect trade.

State Aid rules generally prohibit government subsidies to businesses. Providing discretionary rate relief to ratepayers can in some cases be deemed to be State Aid.

There is, however, a general exception to the state aid rule where the aid is below a "de minimis" level. The De Minimis Regulations allow an undertaking to currently receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years). The De Minimis Regulation and limit is subject to update and changes in legislation.

To administer De Minimis it is necessary for the Council to establish that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid. The Council will ensure compliance with the legal requirements and any permitted exemptions. Each case will be considered based on the organisation's individual circumstances in full consideration of the State Aid rules.

Business ratepayers who apply for or receive any discretionary rate relief (Section 44a, Section 47 or Section 49) will be required to make a declaration if they have or are receiving State Aid. This is particularly likely to affect large retail chains where the cumulative discretionary rate relief may cause them to exceed the €200,000 de minimus limit. A sample letter and declaration form is provided at Appendix 3.

Whilst the UK has left the European Union (EU) on 31 January 2020, the Withdrawal Agreement negotiated by the Government and the EU provides that during an implementation period State Aid rules will continue to apply as now and will be subject to control by the EU Commission as at present.

## **10. Policy Review**

This policy will be reviewed periodically, taking into account Council policies and priorities and any changes in Government legislation and proposals.

## **11. Other National Business Rate Reliefs**

### **11.1. Small Business Rates Relief (SBRR)**

This relief is intended to help small businesses, as defined by the size of the rateable value (RV) of the property occupied. A business is eligible if only one property is occupied and the rateable value is below £15,000.

Eligible businesses will receive relief at 100% on properties up to and including £12,000 RV and a tapered level of relief from 100% to 0% for properties from £12,001 RV up to £14,999 RV.

However, if a property is occupied with a RV of £15,000 but below £50,999, another form of SBRR is payable, which entitles the occupier to have their bill calculated using the small business multiplier, and this is regardless of the number of properties occupied.

### **11.2. Empty Property Rate Relief (EPRR)**

There is an exemption from paying business rates on empty commercial or retail property for three months after the property becomes vacant.

However, there are exceptions to this;

- Industrial premises, such as warehouses, are exempt for a further three months, making six months in total
- Listed buildings are exempt until they become occupied again
- Buildings with a RV under £2,900 are exempt until they become occupied again
- Properties owned by charities are exempt if the property's next use is likely to be wholly or mainly for charitable purposes

- Community amateur sports club buildings are exempt if their next use is likely to be wholly or mainly for a sports club

After the exemption period ends, liability for the full business rate bill recommences and another period of empty rate exemption cannot be granted unless the property has been occupied for at least six weeks.

### **11.3. Transitional Relief (TR)**

Transitional relief is designed to reduce the impact of any significant changes in the RV of a property, either up or down, following a national revaluation of properties.

It is a complicated scheme, but basically, the arrangements help to phase in the effects of these changes by limiting the increases in bills. To help pay for the limits on increases in bills, there also has to be limits on those properties where revaluation leads to reduced bills. The increase or decrease is phased in until the correct value is reached.

**Retail Relief – Eligibility Criteria**

Properties that will benefit from the relief will be occupied hereditaments with a rateable value of less than £51,000, that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments. From 1 April 2020, cinemas and live music venues are also included.

Shops, restaurants, cafes and drinking establishments are considered to mean:

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

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

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

- Hair and beauty services (such as: 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

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

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops

- Pubs
- Bars

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

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

- Live music venues are hereditaments wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Hereditaments cannot be considered a live music venue for the purpose of business rates relief where a venue is wholly or mainly used as a nightclub or a theatre, for the purposes of the Town and Country Planning (Use Classes) Order 1987 (as amended).

Hereditaments can be a live music venue even if used for other activities, but only if those other activities (i) are merely ancillary or incidental to the performance of live music (e.g. the sale/supply of alcohol to audience members) or (ii) do not affect the fact that the primary activity for the premises is the performance of live music (e.g. because those other activities are insufficiently regular or frequent, such as a polling station or a fortnightly community event).

There may be circumstances in which it is difficult to tell whether an activity is a performance of live music or, instead, the playing of recorded music.

Although we would expect this would be clear in most circumstances, guidance on this may be found in Chapter 16 of the statutory guidance issued in April 2018 under section 182 of the Licensing Act 2003.

To qualify for the relief the hereditament should be wholly or mainly being used as a shop, restaurant, cafe or drinking establishment. 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.

The lists set out above are not intended to be exhaustive as it would be impossible to list the many and varied retail uses that exist. There will also be mixed uses. However, it is intended to be a guide as to the types of uses that Government considers for this purpose to be retail. Conversely, properties that are not broadly similar in nature to those listed above should not be eligible for the relief.

The lists below set out the types of uses that the Government does not consider to be retail use for the purpose of this relief.

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

- Financial services (e.g. banks, building societies, cash points, bureaux 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 offices

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

Generally speaking, the Government also does not consider other assembly or leisure uses beyond those listed above to be retail uses for the purpose of the discount. For example, cinemas, theatres and museums are outside the scope of the scheme, as are nightclubs and music venues which are not similar in nature to the hereditaments described above. Hereditaments used for sport or physical recreation (e.g. gyms) are also outside the scope of the discount. Where there is doubt, discretion should be exercised with reference to the above and knowledge of the local tax base.

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

The total amount of government-funded relief available for each property for 2019-20 under this scheme is one third of the bill, after mandatory reliefs and other discretionary reliefs funded by Government grants have been applied, excluding those where local authorities have used their discretionary relief powers introduced by the Localism Act which are not funded by Government grants. For 2020-21 the relief is one half of the bill.

There is no relief available under this scheme for properties with a rateable value of £51,000 or more.

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

Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, subject to State Aid De Minimis limits.



**Pub Relief – Eligibility Criteria**

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.

There is no definitive description of a traditional pub or public house in law which could be readily used by local authorities to determine eligibility. The objective has been to adopt an approach that makes the design and eligibility of the scheme easy to implement by local authorities in a clear and consistent way, is widely accepted by the industry and which is consistent with the Government’s policy intention as set out in this section.

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.

For these purposes, it should exclude:

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

The proposed exclusions in the list above is not intended to be exhaustive. The Council already has a good understanding of the licensed premises in our area and will be able to readily form a view on eligibility in the majority of cases.

Where eligibility is unclear we will also consider broader factors in our 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, for example being owned and operated by a brewery. We may also wish to consider other methods of

classification, such as the planning system and the use classes in order to help us decide whether a property is a pub or not. However, permission for a particular use class will not necessarily mean that the property meets the definition of a pub.

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

The total amount of government-funded relief available in the year 2020/21 under this scheme is £1,000 per eligible property. There is no relief available under this scheme for properties with a rateable value of £100,000 or more. Eligibility for the relief and the relief itself will be assessed and calculated on a daily basis.

This relief should be applied to bills after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, including the retail discount, but excluding those where we have used our discretionary relief powers under section 47 which are not funded by section 31 grants.<sup>2</sup> We may use our discretionary powers to offer further discounts outside this scheme. However, where we apply a locally funded relief under section 47 this must also be applied after the pubs discount.

Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, subject to State Aid De Minimis limits.



**ROCHDALE**  
BOROUGH COUNCIL

Dear Sir or Madam,

### **State Aid**

Discretionary rate relief awards are required to comply with the law on State Aid. In this case, this involves returning the attached declaration to this authority if you have received any other De Minimis State Aid, including any other discretionary rate relief you are being granted for premises other than the one to which this letter relates, and confirming that the award of discretionary rate relief does not exceed the €200,000 an undertaking can receive under the De Minimis Regulations.

In terms of declaring previous De Minimis aid, we are only interested in public support which is De Minimis aid (State Aid received under other exemptions or public support which is not State Aid does not need to be declared).

**If you have not received any other De Minimis State Aid, including any other discretionary rate relief you are being granted for premises other than the one to which this letter relates, you do not need to complete or return the declaration.**

If you wish to refuse to receive discretionary rate relief granted in relation to the premises to which this letter relates, please complete the attached form and return it to the address above. You do not need to complete the De Minimus declaration. This may be particularly relevant to those premises that are part of a large retail chain, where the cumulative total of discretionary rate relief received could exceed €200,000.

Under the rules, you must retain this letter for 3 years and produce it on any request by the United Kingdom public authorities or the European Commission. (You may need to keep this letter longer than 3 years for other purposes). Furthermore, information on this aid must be supplied to any other public authority or agency asking for information on 'De Minimis' aid for the next three years.

Whilst the UK is scheduled to leave the European Union (EU) on 31 January 2020, the Withdrawal Agreement negotiated by the Government and the EU provides that during an implementation period State aid rules will continue to apply as now and will be subject to control by the EU Commission as at present. Local authorities should therefore continue to apply State aid rules, including De Minimis, to the relief during the implementation period.

**‘DE MINIMIS’ DECLARATION**

BUSINESS RATES ACCOUNT NUMBER: \_\_\_\_\_

The value of the business rates retail relief to be provided to:

\_\_\_\_\_ (name of business)

by Rochdale Borough Council is:

£ \_\_\_\_\_ Euros € \_\_\_\_\_ (amount of rate relief)

This award shall comply with law on State Aid on the basis that, including this award, shall not receive more than €200,000 in total of De Minimis aid within the current financial year or the previous two financial years.

Please list all previously received De Minimis aid below, including the total amount of this and any other discretionary rate relief you are being granted.

Amount of De Minimis aid	Date of aid	Organisation providing aid	Nature of aid
€			
€			
€			

I confirm that I am authorised to sign on behalf of:

\_\_\_\_\_ (name of business);

and shall not exceed its De Minimis threshold by accepting Relief.

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

NAME: \_\_\_\_\_

POSITION: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

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**REFUSAL OF DISCRETIONARY RATE RELIEF FORM**

Name and address of premises	Business rates account number	Amount of Relief

I confirm that I wish to refuse discretionary rate relief in relation to the above premises.

I confirm that I am authorised to sign on behalf of:

\_\_\_\_\_ (name of business)

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

NAME: \_\_\_\_\_

POSITION: \_\_\_\_\_

ADDRESS:

\_\_\_\_\_  
\_\_\_\_\_