

Discretionary Rate Relief Policy 2017/18

**Guidelines for the Award of Discretionary Relief
on Non-Domestic Rates**

February 2018

1. Introduction and Scope

- 1.1 Oldham Council is committed to correctly administering the award of Discretionary Rate Relief (DRR) on Non-Domestic Rates (NDR) to qualifying organisations within the Borough of Oldham.
- 1.2 With the introduction of the Non-Domestic Rates Retention regime from 1st April 2013, Local Authorities share in the gains and losses associated with changes in Non-Domestic Rates income. The Government hopes that the localisation of Non-Domestic Rates in this way will incentivise Local Authorities to adopt strategies to promote businesses and generate additional Non- Domestic Rates income.
- 1.3 From April 2017, the Council is participating in the 100% Business Rates Retention pilot scheme. This will mean that:
 - Mandatory Relief is financed 99% by the Council and 1% by the Greater Manchester Fire and Rescue Authority
 - Discretionary Relief is financed 99% by the Council and 1% by the Greater Manchester Fire and Rescue Authority

The Government has pledged that Greater Manchester authorities will suffer no financial detriment as a result of participating in the 100% pilot scheme. This extends to the awarding of mandatory and discretionary rate reliefs.
- 1.4 In view of the additional cost of awarding DRR, the Council has determined that its DRR policy is reviewed annually to ensure that an award of DRR is focused to maximise benefits to Oldham residents.
- 1.5 This policy document outlines the areas of local discretion and the Council's approach to the various awards. This approach has regard to the impact:
 - of granting Discretionary Rate Relief including Section 44a Relief and Hardship Rate Relief on the Council's wider financial position and Council Tax payers;
 - on the organisations and businesses that currently receive or may apply for relief in the future;
 - for Oldham residents if relief is awarded and the regeneration benefits to the borough.
- 1.6 The principal consideration when making an award is that any relief granted is in the best interests of the residents and taxpayers of Oldham and produces a local benefit.
- 1.7 All Members and officers involved in the consideration and processing of rate relief applications will adhere to this policy.

- 1.8 This policy and the considerations made when making an award will be reflective and complementary to our commitment to be a Co-operative Council and in particular to work in line with our co-operative principles and values; actively engage residents in decision making; and encouraging delivery through co-operatives, social enterprises and mutuals.

2 The Discretionary Rate Relief Scheme

2.1 DRR is granted in accordance with:

- Section 43 and Section 44a of the Local Government Finance Act (LGFA) 1988; and
- Section 47-49 of the Local Government Finance Act (LGFA) 1988 as amended by the Localism Act 2011;

Clause 69 of the Localism Act amended section 47 of the Local Government Finance Act (LGFA) 1988 to allow local billing authorities to fund their own local discounts. With effect from 1 April 2012, the Council has been able to grant Non-Domestic Rates discounts entirely as it sees fit within the limits of the primary legislation and European rules on state aid. These powers can be used to encourage new business and investment, as well as to support local shops or community services.

2.2 The legislation requires the Council to maintain a DRR Scheme to award Non-Domestic Rates relief of up to 100% to certain organisations which operate within specified criteria. This criteria covers:

- Charitable bodies already in receipt of Mandatory Relief at 80% – the Council has further discretion to ‘top up’ this relief to 100% of the Non- Domestic Rates due;
- Registered Community Amateur Sports Clubs (CASCs) already in receipt of Mandatory Relief at 80% – again the Council has further discretion to ‘top up’ this relief to 100% of the rates due;
- Non-profit making organisations – the Council has discretion to grant ‘standard’ Discretionary Rate Relief of between 0% -100% of the Non-Domestic Rates due;
- Local child care providers – the Council has discretion to grant up to 100% DRR up to state aid limits.
- Local Newspapers – the Council has discretion to award a discount of £1,500 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 two years from 1 April 2017. Annex A to this document gives further guidance on the criteria for determining this relief.

- Full-fibre infrastructure 100% business rates relief for new full-fibre infrastructure for a 5 year period from 1 April 2017; this is designed to support roll out to more homes and businesses.
- £1,000 discount for pubs that have a rateable value of 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 Annex B. The discount is available for 1 year from 1 April 2017.
- The Supporting Small Business relief 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.
- Revaluation Relief. This scheme is a discretionary rate relief scheme to support those businesses who have experienced a large increase in rateable value following the 2017 revaluation. Further details and full eligibility criteria are available in Annex C.
- For properties in a qualifying rural settlement and that are qualifying village shop, Post Office, or sole petrol station already in receipt of Mandatory Relief of 50% ,the Council has discretion to 'top up' this relief to 100% of the rates due
- Businesses the Council considers it wishes to grant relief to – the primary reasons will be to either encourage regeneration in the borough or promote co-operative values.

2.3 In making decisions about applications the Council may:

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

3 Charitable Bodies (Charities)

3.1 A Mandatory Rate Relief of 80% is granted to charities in the following circumstances. Where the:

- ratepayer of a property is a charity or the trustees of a charity; and
- property is wholly or mainly used for charitable purposes (including charity shops, where the goods sold are mainly donated and the proceeds are used for the purpose of the charity).

- 3.2 The Council does not have discretion regarding awarding Mandatory Rate Relief, however the Council must be satisfied that the statutory criteria has been met. For this purpose the Council will use guidance provided in both the Local Government Finance Act 1988, and by reference to other enactments and case law.
- 3.3 The Council will refer to the Charity Register for evidence of charitable status however absence from the register does not mean an organisation has not been established for charitable purposes as certain organisations are exempt from registration under the Charities Act 1993.
- 3.4 In cases where a charity is in receipt of mandatory rate relief of 80%, the Council has discretion to grant up to 20% additional rate relief – DRR top up.
- 3.5 The Council will consider applications for a Discretionary Rate Relief top up from charities based on their own merits, on a case by case basis. However the principal consideration is that the relief is in the best interests of the residents and taxpayers of Oldham and produces a local benefit as the Council must contribute to the cost of each award. As such, top up will be awarded to only the following type of registered charities:
- Scouts, guides, cadets and other clubs/associations for young people;
 - Community schemes encompassing organisations providing support for those over the age of retirement, community transport, those based on volunteering and residents associations;
 - Organisations providing support in the form of advice, training for employment, counselling;
 - Organisations that provide services that address the consequences of ill health and disability;
 - Charitable sporting clubs (also see CASCs);
 - Locally based leisure and cultural organisations;
 - Armed forces veterans associations;
 - Locally based charities;
 - Charity shops (operated by either locally based or national charities);
 - Local child care providers registered as charities.

4 Registered Community Amateur Sports Clubs

4.1 A mandatory rate relief of 80% is granted to registered community amateur sports Clubs (CASC). To qualify as a CASC, a sports club must fulfil all of the following criteria. It must be

- Open to the whole community;
- Run as an amateur club;
- A non-profit making organisation; and
- Aiming to provide facilities for, and encourage people to take part in, eligible sport.

4.2 In cases where a CASC is in receipt of Mandatory Rate Relief of 80%, the Council has discretion to grant up to 20% additional rate relief as a discretionary top up.

4.3 The Council will consider applications for a discretionary rate relief top up from CASCs based on their own merits on a case by case basis. The principal consideration is that any relief is in best interests of the residents and taxpayers of Oldham and produces a local benefit as the Council must bear a percentage of the cost of any relief granted. However in determining the application the following matters will be taken in to consideration:

- How the CASC supports and links into the Council's corporate vision and priorities;
- A club should have an open access policy. If a club effectively discriminates by only accepting members who have reached a particular standard, rather than seeking to promote the attainment of excellence by enhancing access and the development of sporting aptitude, then it does not fulfil the requirements;
- Although clubs should be open to all without discrimination, single sex clubs may be permitted where such restrictions are not discriminatory in intent but a genuine result of physical restraints (such as changing room facilities) or the requirements of the sport. In such cases, the organisation will be required to provide proof of such limiting factors;
- Membership and fee structure – see section 6

4.4 It should be noted that sports clubs and other organisations which run a bar are unlikely to be awarded relief if their main purpose is the sale of food or drink. However, if the sale of food or drink by the organisation aids the overall operation and development of the organisation in achieving its objectives, this would be permissible as long as the principal objectives of the organisation meet the eligibility criteria detailed at 4.1. If the bar makes a profit, this profit must be reinvested to support the organisation in achieving its principal

objectives. Financial information will be required to evidence any profit and its use.

5 Local Child Care Providers

- 5.1 The Council will consider applications for DRR from local child care providers based on their own merits on a case by case basis. The principal consideration is that any relief is in best interests of the residents and taxpayers of Oldham and produces a local benefit as the Council must bear a percentage of the cost of any relief granted.
- 5.2 A local child care provider can be in receipt of Mandatory Rate Relief of 80% if it is registered as a charity, in these cases the Council has the discretion to grant up to 20% additional rate relief.
- 5.3 In cases where a local child care provider is not in receipt of Mandatory Rate Relief the council has the discretion to consider granting an award up to 100% of rate relief.
- 5.4 It is necessary to highlight that if a nursery charges unreasonable fees or if they make significant profits that are not reinvested into the business that they are unlikely to be awarded DRR.
- 5.5 In reviewing an application from a child care provider, there will be consultation with the Early Intervention and Families team to determine if providing relief would meet the aim of supporting local child care provision.

6 Non Profit Making Organisations

- 6.1 The Council has the power to grant discretionary rate relief of up to 100% for the rates due to other non-profit making organisations. The main objectives of the organisation must be related to:

- Relief of poverty;
- Advancement of religion;
- Advancement of education;
- Social Welfare;
- Science;
- Literature;
- Fine arts; or
- Recreation
- Or be otherwise beneficial to the community

An organisation must be able to demonstrate how it:

- meets local needs and benefit local people; and
- provides a valuable service to the community; and

- is open to all sections of the community; and
- operates in such a way that it does not discriminate against any section of the community; and
- is not conducted or established for the primary purpose of accruing profit.

6.2 The Council will consider applications for a DRR top up from non-profit making organisations based on their own merits, on a case by case basis. However the principal consideration is that the relief is in the best interests of the residents and taxpayers of Oldham and produces a local benefit as the Council must contribute to the cost of each award. As such, top up will only be awarded to only the following type of non-profit making organisations:

- Scouts, guides, cadets and other clubs/associations for young people;
- Community schemes encompassing organisations providing support for those over the age of retirement, community transport, those based on volunteering and residents associations;
- Organisations providing support in the form of advice, training for employment or counselling;
- Organisations that provide services that address the consequences of ill health and disability;
- Locally based leisure and cultural organisations
- Armed forces veterans associations

7 Membership and Entry Fees

7.1 If the organisation applying for DRR requires membership or an entry fee, the Council will consider whether:

- membership must be open to everyone, regardless of race, ethnic origin, sex, marital or parental status, sexual orientation, creed, disability, age, religious affiliation or political belief,
- The subscription or fee is set at a level which is not prohibitively high and considered to be affordable by most sections of the community;
- Fee reductions are offered for certain groups such as, for example, under 18s or over 60s;
- Membership is encouraged from groups who face social barriers, such as, for example, young people not in employment, education or training; people above working age; or people with disabilities;
- Facilities are made available to people other than members.

- 7.2 Where the applicant organisation requires membership, at least 50% of the members should reside within the boundaries of the Borough of Oldham (proof of this will be required).
- 7.3 If a local childcare provider applies for relief they must not charge fees that would be considered unaffordable by most Oldham residents. The provider must also not restrict attenders with admittance policies that are deemed unfair.

8 Discretionary Rural Rate Relief

- 8.1 Organisations or businesses which reside within a designated rural settlement (with a population of 3,000 or less) may be eligible for Discretionary Rural Rate Relief. Eligible organisations/businesses must be located in one of the settlements identified in the Council's rural settlement list, which is reviewed periodically.

- 8.2 Current areas designated as rural settlements are:

| | | | |
|------------|---------|-----------|-----------|
| Delph | Denshaw | Diggle | Dobcross |
| Grasscroft | Grotton | Scouthead | Woodhouse |

- 8.3 Discretionary Rural Rate Relief is open to any type of business within a classified rural settlement that satisfies the following criteria:

- It is the only qualifying village shop or post office with a rateable value of up to £8,500 and already in receipt of mandatory relief of 50%
- The only qualifying public house or petrol station with a rateable value of up to £12,500 and already in receipt of mandatory relief of 50%
- It is within the boundaries of a qualifying rural settlement;
- The Council also has the discretion to remit all or part of rate bills on other property in a settlement on the rural settlement list if the rateable value is £16,500 or less and we are satisfied that the property is used for a purpose that benefits the local community.

9 Discretionary 'Hardship' Relief

- 9.1 The Council has the power to reduce or remit the Non-Domestic Rates charged in certain circumstances where the applicant organisation is enduring temporary financial difficulties. This is known as Discretionary 'Hardship' Relief.
- 9.2 The Council may grant Discretionary 'Hardship' Relief (DHR) if it is satisfied that:
- The ratepayer would sustain financial hardship if the Council did not do so;
- And,

- It is reasonable for the Council to grant relief, with regard to the interests of its residents and Council Tax payers.

93 DHR is a temporary measure which should not be used to artificially sustain a failing business. DHR will be awarded where the applicant organisation is facing temporary financial difficulties and where the community would be significantly disadvantaged if the business were to close due to these temporary financial constraints.

10 Discretionary Rate Relief Using Powers Conferred by the Localism Act

10.1 The Council is now able to grant Non-Domestic Rates discounts entirely as it sees fit within the limits of the primary legislation and European rules on state aid. These powers will generally be used as appropriate to support local shops or community services, but, to align with the regeneration objectives of the Council, any use of such powers will be focused on encouraging new business and investment and the regeneration of the Borough.

10.2 Using the general exception from the state aid rule where the aid is below the “de minimis” level, the Council will limit awards to a maximum of €200,000 to any one business over any three year period.

11 Section 44a Relief (partly occupied properties)

11.1 The Council has discretion to consider requests from ratepayers asking that the rateable value of premises that is charged non-domestic (business) rates is split between the occupied and temporarily unoccupied portions and that the Council then only charges rates of the occupied portion. This is permitted under Section 44a of the Local Government Finance Act 1988.

11.2 The Council has discretion to accept or refuse such a request. If the request is accepted, then the Valuation Office Agency is asked to supply a Certificate indicating the relevant values for the occupied and unoccupied portions and this Certificate is binding to the Council.

11.3 The definition of ‘temporary period’ is not prescribed with the law and therefore Oldham Council has the discretion to decide the period of relief that should be awarded.

11.4 The law provides a discretionary power, but the decision whether to exercise that power must be taken before the Valuation Officer’s Certificate is requested, as the apportioned values are those upon which the charge must be levied once supplied.
The discretionary power does not alter the general rule that occupation of part of a premise constitutes occupation of the whole of the premises.

11.5 The effect of the apportioned values applies for the **operative period**, which is defined as the period beginning with the day on which the premises became partly unoccupied and ending with the first day on which one or more of the following events occurs.

- The occupation of any of the unoccupied part of the premises;
 - The ending of the financial year in which the apportionment was required;
 - The requiring of a further apportionment;
 - The complete occupation of the premises; or
 - The complete vacation of the premises.
- 11.6 The authority is required to terminate this relief in the event of a change in the proportions of the premises occupied and unoccupied or at the end of a financial year, and then may, if appropriate consider requesting the Valuation Officer to issue a further Certificate.
- 11.7 The amount of Rate Relief that is awarded is determined by statute and is calculated by reference to the Rateable Value attributed to the unoccupied area by the Valuation Office Agency, part of Her Majesty's Revenue and Customs (HMRC).
- 11.8 Applications will only be considered in respect of unoccupied parts of a property that can be clearly defined and are reasonably segregated from the occupied part of the property.
- 11.9 The use of section 44a is intended to apply to those premises where there are practical difficulties in either occupying the premises or vacating the premises. Therefore it is not intended that all premises which temporarily become partly unoccupied should have their liability reduced.
- 11.10 No award shall be made where it appears to the Council that the reason that part of the property is unoccupied is wholly or mainly for the purposes of applying for Rate Relief.
- 11.11 Rate Relief under this section will not be awarded in respect of partly occupied property where the partial occupation of the property may arise due to the ordinary day to day nature of the business (for example the operation of a warehouse).
- 11.12 The period of Relief will not exceed either 3 or 6 months depending on the type of property the claim has been made for, in line with the current legislation for part-occupied properties.
- 11.13 In determining the application favourable consideration will be given (but not limited to) where:
- There is a partial occupation of a warehouse, factory or commercial premises to facilitate relocation of the company into the borough or to extend the current portfolio and associated occupation levels in the borough; or
 - Where fire, flood or other disaster prevents full use of the premises.
- 11.14 Favourable consideration would not normally be given (but not limited to):
- For a period that has now passed;
 - For consecutive periods;

- To support a business moving its operation outside of the borough;
- Where the owner sublets part of the premises on a commercial basis;
- Where the part occupation is likely to continue for more than three months (6 if industrial premises).
- Where there appears to be no effort to let, sell or occupy the empty part; or
- Where part occupation is seasonal or cyclical in nature.

11.15 At all times consideration will be made for the regulations contained within section 44a of the Local Government Finance Act 1988 and any relevant case law.

12 Supporting Small Businesses

12.1 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.

12.2 The Supporting Small Business relief will ensure that the increase per year in the bills of these ratepayers is limited to the greater of:

- a. A percentage increase per annum of 5%, 7.5%, 10% 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 rates 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 start to pay something in 2017/18.

In the first year of the scheme (2017/18), this means all ratepayers losing some or all of the 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)

13 Discretionary revaluation relief

13.1 The government 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. Annex C sets out the eligibility criteria for the scheme in more detail for 2017/18. Future years' eligibility criteria and resource allocation will be determined on an annual basis for the duration of the scheme.

Oldham's allocation of this funding is as follows

| 2017 18 | 2018 19 | 2019 20 | 2020 21 |
|---------|---------|---------|---------|
| £301k | £146K | £60K | £9K |

14 Applications

14.1 Discretionary Rate Relief

14.1.1 Applications for DRR must be supported by, and include:

- The applicant organisation's main purposes and objectives, as set out in, for example, a written constitution, a memorandum of association, or set of membership rules;
- A full set of audited accounts relating to the two years preceding the date of application. Where audited accounts are not available, projected figures should be provided instead;
- Details of how the organisation meets the criteria outlined in these guidelines.

14.1.2 Applicants will be encouraged to submit their applications through online Discretionary Rate Relief claim form.

14.1.3 As a guide, to be eligible for DRR, a charity/organisation must not have enough financial resources available in unrestricted funds to continue to operate for more than 12 months, nor should it have sufficient financial resources in unrestricted reserves to continue to operate for more than 12 months, unless a business plan exists detailing how these additional reserves are to be used to benefit the local community.

14.1.4 In exceptional cases, DRR will be granted to organisations which have enough financial resources in unrestricted funds to continue to operate for more than 12 months. This may include charities or community organisations which require large amounts of available resources to sustain the service they deliver to the community. In such cases, the applicant organisation must be able to prove that it offers a service which the Borough's residents depend on, and which they would be unlikely to find elsewhere in the Borough.

14.2 Discretionary Hardship Relief

14.2.1 Applications for DHR must be accompanied by full set of audited accounts relating to the two years preceding the date of application. Where audited accounts are not available for the current financial year, projected figures should be provided instead. It is recommended that applicant organisations submit audited accounts dating back further than two years, if such information is available.

14.3 Discretionary Rate Relief Using Powers Conferred by the Localism Act

14.3.1 Applications should be supported in accordance with section 12.1, however where applications seek rate relief in respect of new business set up etc., information provided should include business plans and other information that demonstrate the regeneration or economic benefit to Oldham.

14.4 Applications for Section 44a Relief

14.4.1 A Ratepayer making an application under section 44a should do so in writing and should include:

- A plan of the property showing the dimensions of the occupied and unoccupied area of suitable quality to enable the Valuation Office Agency to apportion the Rateable value of the property between the occupied and unoccupied areas. Applications will not be considered until such time as the plan is provided
- The period to which the application relates
- Contact details in order to inspect the site where necessary

14.4.2 In considering the application, a visit may be made to the premises to confirm the accuracy of the submitted plan. Independent evidence may also be requested and this may be in the form of surveyors' reports, dated photographs, solicitors' letters and estate or letting agents' records (list not exhaustive).

14.4.3 Applications will be considered by the Councils Revenues Team.

14.5 Applications for Excepted Businesses/Organisations

14.5.1 Excepted businesses and/or organisations are properties which are occupied by a billing or precepting authority, such as the Council. Applications from excepted businesses and/or organisations cannot be considered.

14.6 General Advice

14.6.1 The Council will encourage:

- not for profit organisations to seek CASC or charitable status so that they may qualify for mandatory relief;
- shared occupation of property for similar types of organisation and those wishing to reduce their rating liability;
- organisations using properties for religious purposes to seek certification as a Place of Worship so that the property may be removed from the rating list.

15 Period of Relief

- 15.1 DRR will usually be granted for the period of one financial year at a time. Successful applicants will be sent a letter confirming that their application for DRR has been granted. This letter will also explain that relief has been granted for twelve months only.
- 15.2 The granting of relief will be reviewed annually and those in receipt of DRR will be asked to supply or confirm relevant information for the purpose of the review.
- 15.3 If an organisation in receipt of DRR ceases to meet the eligibility criteria outlined in this policy, it will cease to receive DRR. The Council will give such organisations twelve months written notice prior to the withdrawal of DRR. Such organisations may appeal against this decision, as outlined in Section 14 of this policy.
- 15.4 DHR is awarded as a temporary measure in accordance with the applicant organisations circumstances and the anticipated length of the financial difficulties. Successful applicants will be sent a letter confirming that their application for DHR has been granted and including the appropriate timeframe for relief.

16 Approval of Discretionary Rate Relief or Discretionary Hardship Relief

- 16.1 The Council delegates the decision making power for DRR awards and DHR to the Cabinet Member for Finance and Human Resources and the Head of Revenues, Benefits and Business Support.
- 16.2 The initial recommendations to award or refuse a DRR or DHR award will be made by the Revenues Client Manager in consultation with a representative of Oldham Council's Finance Division.
- 16.3 Final approval will be sought from the Cabinet Member for Finance and Human Resources and the Head of Revenues, Benefits and Business Support. All recommended action will be justified by an explanation supporting the proposed decision.
- 16.4 Any officer or Member involved in the decision-making process for DRR or DHR must declare if they have an interest in or association with any organisation which is applying for DRR.
- 16.5 The Non-Domestic Rates team informs applicants in writing of any decision as soon as possible. A revised NDR bill will be sent where appropriate. Unsuccessful applicants will be notified that they can appeal the decision.
- 16.6 The Council recognises that there will be occasions when the applicant body does not appear to satisfy the criteria generally applied but where the Cabinet

Member for Finance and Human Resources and the Head of Revenues, Benefits and Business Support may choose to award relief. The Council has the ability to depart from its general policy as to granting relief if it sees fit to do so, taking into account the facts of each case and the interests of residents and Council Taxpayers.

17 Appeals against decisions

- 17.1 Any organisation requiring a review of a decision may submit a request by email to DiscretionaryRateRelief@oldham.gov.uk
- 17.2 Oldham Council can review a DDR, Hardship Relief or Section 44a decision in the event of a dispute or in light of any new information. Where appropriate an applicant may request personal representation at the review. Final decisions on appeals will be made by the Section 151 Officer (Director of Finance).
- 17.3 If the Ratepayer is further dissatisfied the only remaining route to challenge the decision would be by judicial review in line with Section 138 of the Local Government Act 1988.

18 Policy Review

- 18.1 The Council will review the DRR policy on an annual basis but the Council reserves the right to review and revise the policy at any time as a result of information gained as a result of operating the policy.
- 18.2 The Cabinet Member for Finance and Human Resources in conjunction with the Director of Finance are authorised by Cabinet to agree any revisions to the policy.

TEMPORARY RELIEF UNDER S47 OF THE LOCAL GOVERNMENT FINANCE ACT ARISING FROM CENTRAL GOVERNMENT POLICY DECISIONS**Business Rates Relief for Local Newspapers**

This Annex (based on Government guidance) sets out the detailed criteria to be used to determine business rates relief for local newspapers.

Local authorities may use their discretionary powers (under section 47(3) of the Local Government Finance Act 1988 to grant relief in line with the eligibility criteria set out in this guidance.

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

This is a temporary measure to support local newspapers adapt to technological changes within the industry. The relief is intended to be specifically for local newspapers and will be delivered through local authority discretionary discount powers (under section 47(3) of the Local Government Finance Act. The relief will be limited by state aid rules.

How will the relief be provided?

As this is a temporary relief for 2017-18 and 2018-19, the Government is not changing the legislation around the reliefs available to properties. Instead the Government will reimburse the Council (under section 47(3) of the Local Government Finance Act 1988 to grant relief in line with the eligibility criteria set out in this guidance.

Central Government will reimburse the Council for the actual cost under the rates retention scheme of granting relief that falls within the definitions in this guidance.

Eligibility criteria

The relief will provide: A £1,500 relief for office space occupied by local newspapers up to a maximum of one discount per local newspaper title and per hereditament, for two years from 1 April 2017.

Local Newspapers

The relief is to be specifically for local newspapers and by that would be considered to be a “traditional local newspaper.” The relief will not be available to magazines.

Office Space

The hereditament must be occupied by a local newspaper and wholly or mainly used as office premises for journalists and reporters.

Amount of Relief

The amount of relief is limited to a maximum of one discount: - per newspaper title (e.g. per newspaper name) and per hereditament.

Examples

Two worked examples of how the relief will work are shown below:

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

The total amount of government-funded relief available for each newspaper title and hereditament for 2017-18 and 2018-19 under this scheme is £1,500. The amount does not vary with rateable value. The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis. The following formula should be used to determine the amount of relief to be granted for a particular hereditament:

Amount of relief to be granted = £1,500 x A/B

Where:

A is the number of days in the financial year that the hereditament is eligible for relief; and

B is the number of days in the financial year.

The Council may use their discretionary powers in section 47(3) of the Local Government Finance Act 1988 to offer further discounts outside this scheme (and under the 100% rates retention pilot scheme, 100% of the cost would be locally funded).

State Aid

The relief available is up to state aid de minimis levels for each business entity.

Support for Pubs – Eligibility Criteria

This section describes in principle the Pubs Relief Scheme. 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 to determine eligibility. The objective has been to adopt an approach that makes the design and eligibility of the scheme easy to implement in a clear and consistent way, is widely accepted by the industry and which is consistent with the Government's policy intention.

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 and it will be for the Council to determine those cases where eligibility is unclear. The Council already has a good understanding of the licensed premises in the borough and will be able to readily form a view on eligibility in the majority of cases.

The stated intent of the Government policy is that it demonstrates the characteristics that would lead it to be classified as a pub, for example being owned and operated by a brewery. The Council may also consider other methods of classification, such as the planning system and the use classes 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.

Annex C

Oldham Council Discretionary Revaluation Relief Scheme 2017/18

This Local Discretionary Business Rate Relief Scheme will apply for the year 1 April 2017 to 31 March 2018 only.

To qualify for relief a ratepayer must be in occupation of a property with a rateable value of less than £200,000 and must meet the following criteria:

- The ratepayer must have been liable for rates and in continual occupation of the relevant property since before 1st April 2017.
- The property must be occupied.
- The rateable value must be less than £200,000
- There has been an increase in liability before other reliefs are applied of more than 5% of the eligible occupied charge when compared to the 2016 17 Business Rates bill
- The award of relief must comply with EU law on State Aid. It is the responsibility of the Ratepayers to inform the Council if they have received State Aid that exceeds in total €200,000 over a three year period, including any other rates relief (other than exemptions, transitional or mandatory reliefs) being granted for premises other than the one to which the declaration relates, under the De Minimis Regulations EC 1407/2013.

The following businesses will not be eligible for the relief

- a) Local Authority properties and the wider public sector
- b) Businesses that fall into the following categories
 - i. Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, betting shops, pawn brokers)
 - ii. Other services (e.g. estate agents, letting agents, employment agencies)
 - iii. Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
 - iv. Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors)
 - v. Post office sorting office
 - vi. Betting shops
 - vii. Shisha Bars
- c) Non trading rating assessments (e.g. Advertising rights, parking spaces, communication masts, kiosks)
- d) Properties which were not on the rating list at 1 April 2017. (Relief will not apply where properties are entered into the list retrospectively).

The Council will prioritise the following

- I. Local businesses
- II. Ratepayers occupying lower value properties
- III. Ratepayers facing the most significant increases in bills
- IV. Business facing hardship as a result of the impact of the revaluation
- V. Businesses with employees
- VI. Businesses whose rateable value is not currently the subject of an outstanding appeal with the Valuation Office Agency (VOA)

How the Business Rates Discretionary Business Rate Revaluation Relief will be calculated:

Discretionary business rate relief is calculated after any or all of the following have been applied:

- Exemptions and other reliefs, including pub relief and supporting small business relief.
- Transitional arrangements

Amount of relief

Each award will be considered on a case by case basis up to a maximum of 100% of the difference between the 2016/17 base charge (before the application of any reliefs) and the 2017/18 business rates bill after all other reliefs and exemptions have been applied

The scheme is for 2017/18 only. Future years' allocations will be reconsidered on an annual basis

Where a qualifying ratepayer's 2017/18 rates bill is reduced for any of the following reasons, the amount of their relief will be reduced or removed accordingly

- A reduction in rateable value in the 2017 rating list
- The provision of a certified value for the 2010 rating list or historical change
- The application of any additional rate relief or exemption
- Vacation and re-occupation of the property
- Any other reason

Oldham's funding allocation is £301k in 2017/18. The Council will not make awards in excess of the relevant grant and decisions will take account of available funding.

Application

To enable maximisation of the funding allocation, the Council will award Discretionary Business Rate Revaluation Relief to ratepayers it believes are eligible based on the information it holds. Ratepayers will be notified by letter of their award and asked to confirm any State Aid they receive. If a ratepayer confirms that an award of Revaluation Relief would breach State Aid requirements the award will be removed to ensure compliance with EU law.

Hardship

The Council's Director of Finance is authorised to vary the criteria and application process of the scheme to support businesses facing hardship following the 2017 revaluation to ensure take up of the scheme and to ensure support to businesses in Oldham is maximised.