



Sandwell Metropolitan Borough Council

Revenues and Benefits Service

**Non-Domestic Rates Discretionary
Rate Relief Policy**

2022/23

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1. INTRODUCTION

Discretionary Rate Relief (DRR) allows a reduction in Non-Domestic Rates of up to 100% where certain provisions are satisfied. The decision to grant or not grant relief is a matter purely for the authority.

The Revenues and Benefits Service work closely with the Voluntary Sector Funding Team to administer this policy.

The Council recognises the important role played by the Voluntary Sector in Sandwell, not only in the area of service delivery, but also as an indicator of civic engagement and the health of the social fabric of the borough.

The regulations relating to DRR can be found in Section 47 of the Local Government Finance Act 1988 (as amended).

Registered charities registered friendly societies and community amateur sports clubs automatically qualify for a mandatory reduction to their rates bill of 80%. The Council can consider granting DRR to these organisations on the remaining 20%.

DRR enables the Council to support a wide range of voluntary and community groups in Sandwell, providing a significant reduction to an organisation's running expenses.

2. GENERAL PRINCIPLES / REGULATIONS

The purpose of this policy is to outline the conditions that should be satisfied for Sandwell MBC to consider relief under the Local Government Finance Act 1988 and associated legislation.

3. PROCESS FOR SERVICES – RELIEFS AVAILABLE

The following reliefs are available in Sandwell under the banner of ‘Discretionary Relief’ for Business Rates:

1. Charity and Non-Profit Making Organisations ‘Top Up’
2. Reliefs made available under the Localism Act 2011:
 - (i) ‘Section 69’ Localism Relief
 - (ii) Relief for Child Care Provision
 - (iii) Shared Workspace
 - Part Occupied/Part Void Section 44A Relief
 - Discretionary Relief Introduced April 2017:
 - (i) Supporting Small Business Relief
 - Discretionary Reliefs introduced during 2021/22

The criteria for each of these reliefs is listed below, together with details on how to apply and any restrictions, where applicable

3.1 CHARITY AND NON-PROFIT MAKING ORGANISATIONS

Some charities and non-profit organisations are entitled to 80% mandatory ‘Charity’ rate relief. However Local Authorities have the option to ‘top up’ that relief to 100%. Organisations that meet the requirements of this policy and the relevant criteria who are eligible for the 80% mandatory rate relief, may receive a top up of 20%.

Sandwell needs a healthy Voluntary Sector, particularly local voluntary and community organisations. This supports citizens of the borough by providing:

- **Local community-based services** – many voluntary and community sector organisations are community based and may therefore be better able to work with harder to reach groups. This complements the Council’s town and neighbourhood-based approach to service delivery
- **Choice** – by supporting voluntary and community sector organisations the Council hopes to provide a greater choice for local people in terms of the services they can access
- **Independence** – voluntary and community sector organisations are independent bodies and are often well placed to take on a campaigning or advocacy role on behalf of local people, providing an important challenge role for the Council
- **Opportunities for people to participate** – as volunteers as well as service users
- **Specialist services** – many voluntary and community sector organisations develop specialism’s around the particular needs of a client group

3.1.1 Definition of terms

Voluntary organisation:

A formal organisation run by a management body made up of volunteers who are engaged in that activity for environmental, economic, or social good.

Community group:

A community organisation is a less formally organised body run by a management body made up of volunteers who are engaged in that activity for environmental, economic, or social good.

3.1.2 Who Can Apply?

The following organisations could apply for DRR 'Top Up':

- **Charities** (including charity shops that are ratepayers occupying premises used for charitable purposes).
- **Non profit organisations** (that are not charities but the objectives of which are 'charitable', 'philanthropic' or religious, or concerned with education, social welfare, science, literature or the fine arts' or who use the premises mainly for recreation).

Examples of these organisations include:

- Voluntary organisations
- Community groups
- Tenants and residents' groups
- Faith groups
- Housing Associations
- Co-operatives and social enterprises (that are set up to benefit of the public at large rather than its members)
- Sports organisations
- Mutules
- Grant making trusts.

3.1.3 Eligibility Criteria

To be eligible for DRR, organisations must occupy the property for which they are seeking DRR and must:

- be used for the purposes of delivering the organisations' objectives to benefit citizens of Sandwell
- be based in or delivering services in Sandwell
- be non-governmental

- be value driven, for the social good
- be non party political
- not use profit that is normally reinvested into the organisation, to pay management a salary
- reinvest at least 50% of their financial surpluses for community benefit in Sandwell. Regional and national organisations will need to reinvest at least 50% of their financial surpluses that arise from their work in Sandwell for community benefit in the borough
- not be funded directly from taxation by any government department or agency in the provision of any function under any statutory duty

3.1.4 Levels of DRR

Organisations that meet the requirements of this policy and criteria, in receipt of 80% mandatory rate relief, will receive a top up of 20%. All other successful applicants will receive 100% discretionary rate relief.

3.1.5 Effective Date of DRR Award

Organisations have to apply for DRR every year. Applications can be submitted at any point during the financial year 1 April – 31 March. However, in order for DRR to be shown on the first bill of the year applications and/or confirmation of any change in circumstances need to be submitted prior to 31st January.

If an application for the **previous** financial year is received in time for it to be assessed by 30th September, any rate relief granted will be backdated to 1 April of that financial year or the date at which the premises were first occupied if this is later.

For example:

An application backdated relief for 2020/21 (covering the period 1 April 2020 – 31 March 2021), is received by the Council in time for it to be assessed and approved before 30 September 2021, then DRR would be backdated to 1 April 2020, or the date of occupation if later).

3.1.6 How to apply

If you are advised that an application for DRR is required by the Council it must be made using the authority's application form which is available on the

Council's website

http://www.sandwell.gov.uk/downloads/download/197/charitable_and_discretionary_relief

All applications under this policy will be considered by the Executive Director of Resources

3.1.7 Unsuccessful DRR Applications

There is no legal right of appeal against the Council's use of discretionary powers. However, the Council will accept a customer's request for a re-determination of its decision. Any further appeal must take place via judicial review.

If an application for DRR has been refused, applicants have the opportunity to request a re-determination. All requests must be made in writing, within one month of the Council's decision. Requests will be considered by a panel of 2 officers who were not involved in the original decision.

If an unsuccessful applicant decides to make a request for re-determination, they will still need to continue to pay their business rates. If the request is successful, an amended bill will be issued.

3.2 RELIEF INTRODUCED BY THE LOCALISM ACT 2011

This involves the following relief:

- i. Section 69 'Localism' Relief

(i) Section 69 'Localism Act Relief'

Section 69 of the Localism Act 2011 amends Section 47 of the Local Government Finance Act 1988. The changes came into effect from 1st April 2012 and extended the existing provision relating to the granting of DRR.

From 01 April 2012 any ratepayer may apply for this relief. The costs of such relief is borne solely by council tax payers of the borough, therefore it is essential that relief is only given to those ratepayers who will bring significant benefit to the area.

The amount of relief granted is not fixed and will be dependant on the individual circumstances of each application.

To be considered the ratepayer must meet all of the following criteria:

- The ratepayer must occupy the premises
 - The ratepayer must be relocating from outside Sandwell, or where already existing within Sandwell must operate within one of Sandwell's priority sectors, namely: -
 - Diversified manufacturing: including high value-added engineering, food production, offsite construction and health products
 - Business, financial and customer services
 - Green industries; including environmental technologies, waste recycling and resource management and research investment
 - The ratepayer must provide significant investment in premises and/or capital equipment.
 - The ratepayer must provide significant new job creation and/or safeguarding of existing jobs.
 - The premises and organisation must be of significant benefit to Sandwell's residents
 - The premises and organisation must relieve the Borough of providing similar facilities.
 - The ratepayer must provide facilities to certain priority groups such as the elderly, disabled, minority groups, disadvantaged groups, or provide the residents of the borough with such services, opportunities or facilities that cannot be obtained locally or are not provided locally by another organisation
 - The ratepayer must be paying its employees at least the national minimum wage
 - Not more than 50% of the ratepayer's employees must be on zero-hour contracts
 - At least 50% of the ratepayer's employees must be living in Sandwell
- and
- The ratepayer must demonstrate that Discretionary Relief will only be required short-term and that the business /operation is financially viable in the medium/long term; and

- The ratepayer must show that the organisation will comply with all legislative requirements and operate in an ethical, sustainable, and environmentally friendly manner at all times.

Enquiries relating to this relief should be directed to the Business Rates team via email business_rates@sandwell.gov.uk

Community Benefit Clause

Any businesses benefitting from this relief must engage with the Council's Think Local Recruitment team to assist with the recruitment of any new staff.

Businesses benefitting from this relief must also consider apprenticeships or develop existing employees to gain recognised qualifications e.g. NVQ's,

The business should use www.thinksandwell.co.uk to advertise any supply opportunities resulting from the building of new premises etc.

3.3 PART OCCUPIED/PART VOID SECTION 44A RELIEF ('s44A')

General Explanation

- 3.3.1 If a property is only partly occupied, the Council has discretion to request that the Valuation Office Agency (VOA) apportion the property's rateable value between its occupied and unoccupied parts, provided it '...will remain so for a short time only'
- 3.3.2 Partially occupied rate relief (often referred to as 'Section 44A' or 's44A' Relief) is not intended to be used merely where part of a property is temporarily not used. The intention is aimed at situations where there are practical, financial or economic difficulties in occupying or vacating all of the property, or exceptional circumstances may have arisen meaning the area is incapable of occupation at that time unique to the business
- 3.3.3 The effect of the reduction under s44A would be to reduce the rates on the premises to the same level as would be payable if the unoccupied part formed a separate hereditament
- 3.3.4 The ratepayer must allow a Council Officer accompanied access to the property by appointment during normal working hours at a time and

date mutually agreed. The Council Officer may take measurements and photographs as evidence during the inspection. Full rates remain payable until the visit is concluded and a decision has been made whether or not to award the s44A Relief

- 3.3.5 Details of the inspection will be forwarded to the VOA. The VOA must then issue a certificate confirming the rateable value of the unoccupied area in order for the s44A relief to be awarded. Once the VOA has issued a certificate, relief must be awarded in accordance with it.
- 3.3.6 If awarded, relief in the Sandwell area will only normally start from the date stated on the application and will only be awarded for up to a maximum of **three months** (or **six months for an industrial hereditament**) in a financial year. In exceptional circumstances, consideration will be given to awarding relief across financial year, for example application made late in the year.
Consideration will also be given in exceptional circumstances to awarding relief for a retrospective period where the ratepayer can demonstrate good cause for not submitting the application earlier
- 3.3.7 Every application will be considered on its own merits, but the Council will have particular regard to the effect on its Collection Fund and the interests of local Council Taxpayers when considering whether it is reasonable to award the relief or not. Confirmation is required that the business claiming the relief, at the very least, pays its employees the National Minimum Wage and/or the National Living Wage, as appropriate to their age and circumstances
- 3.3.8 Following inspection of the premises but before being referred to the VOA, applications will need to be approved by the Council's Section 151 Officer.
- 3.3.9 This is a discretionary relief and full rates will remain payable on a partially occupied property if the Council chooses not to exercise its power in this respect

Decisions by the Council

- 3.3.11 Every application will be considered on its own merits however, in addition to the effect on the Collection Fund and local Council Taxpayer, when considering an application for Section 44A Relief, the following factors will be taken into account:
- The circumstances leading to the partial occupation

- Previous awards of Section 44A Relief to the same business/ organisation and the net effect on Council Taxpayers
- The intention of the business in relation to unoccupied area(s)
- The reasonableness of the ratepayer requesting an alteration of the rating assessment from the VOA
- The availability of evidence that the unoccupied area(s) will be empty for a short period only
- Full occupation being phased in over a period of time or full vacation occurring in stages over a period of time, if applicable

3.3.12 Relief will *not* normally be considered where:

- Access is refused and/or it has not been possible to verify the application
- Part occupation is likely to exceed a short time
- The area is not clearly defined
- Part occupation is seasonal or due to the nature of the business
- The premises are partially empty due to essential maintenance or upgrading
- The company is moving out of Sandwell
- There have been repeated requests on an annual basis, as this is not deemed 'temporary' relief
- There is a national crisis/pandemic affecting a significant number of businesses.
- Government funding is available to assist

Applications for Relief under this scheme

3.3.13 Applications must be in writing. A pdf application form is available via the following link

http://www.sandwell.gov.uk/info/200308/business_rates/2954/partly_occupied_property_relief_section_44a

3.3.14 As much information as possible must be provided to the Council as detailed on the application form in order for the request to be considered. This must include a plan(s) of the premises clearly showing the unoccupied area(s) and should include measurements where possible

3.3.15 Once an application has been received an officer from the Council will contact the ratepayer to arrange a suitable date to allow accompanied access for an inspection of the premises

Amount of relief

- 3.3.16 Where Sandwell MBC agrees to the award of a Section 44A relief, notification will be sent to the VOA to seek a reduction in the rateable value
- 3.3.17 The amount of relief is calculated on a statutory basis, based on the rateable value of the empty area(s) of the property. The appropriate rateable value is provided to Sandwell MBC by the VOA England

Variation and amendment of relief under the scheme

- 3.3.18 The period of relief will end on the day on which any of the following occurs:
- There is a change to the extent of the partial occupation
 - The end of the three months/ six month relief period, or the end of the financial year, whichever is first
 - A new period of relief under a new application starts
 - The premises become fully occupied or completely unoccupied
 - The ratepayer ceases to be the person or organisation liable to pay rates in respect of the premises
 - The Council is unable to verify, following reasonable notice, that the area remains unoccupied
- 3.3.19 If there is a change in the rateable value, relief will be apportioned or removed as appropriate

Notification of Decision

- 3.3.20 The Council will notify the ratepayer of their entitlement to relief by the issue of an amended demand notice. Refusal will be communicated by the Council via telephone or visit, or via email or in writing if requested

Decision Review Process

- 3.3.21 There is no statutory right of appeal against a decision made by the Council regarding discretionary rate relief, including Section

44A applications. However, the Council recognises that ratepayers should be entitled to have a decision reviewed if they are dissatisfied with the outcome

- 3.3.22 The Council will accept a written request for a review of its decision. The request should include the reasons for requesting a review and any supporting evidence
- 3.3.23 A request for review must be made within one calendar month of the date of refusal
- 3.3.24 The ratepayer will be notified of the outcome of the review in writing.
- 3.3.25 This review process does not affect a ratepayer's legal right to seek to challenge a decision by way of Judicial Review

3.4 DISCRETIONARY RELIEFS INTRODUCED 01 APRIL 2017

This involved three separate reliefs:

- i. Public House Relief
- ii. Supporting Small Business Relief
- iii. Discretionary Relief Scheme (Revaluation)

The schemes covering Public House Relief and Discretionary Relief following the 2017 revaluation ended 31 March 2021 and hence are no longer included in this document. However, Supporting Small Business Relief remains for 2021/22

3.4.1 Supporting Small Businesses Relief ('SSBR')

Effective from 2017, this relief is to provide support over 5 years to small businesses who have lost their entitlement to Small Business Rates Relief as a result of their rateable value increasing through the 2017 revaluation.

This relief ensures small businesses do not have to pay more than £600 increase per year for 5 years, effective from 01 April 2017.

Relief is automatically applied to applicable cases

3.4.2 Supporting Small Businesses Relief ('SSBR') 2022/23

The government have announced an extension to this relief for the 2022/23 financial year.

Once full guidance has been received the policy will be updated to reflect this.

3.5 COVID 19 DISCRETIONARY RELIEFS INTRODUCED DURING 2021/22

Nursery Discounts needs adding

3.5.1.1 Expanded Retail Discount Guidance

The Government announced in the Autumn statement on 29 October 2018 that it will provide a discount of up to one third of the bill to all occupied retail properties with a rateable value of less than £51,000 for each year 2019/20 and 2020/21.

In a Written Ministerial Statement 27 January 2020 this discount was increased 50% for year 20/21 and extended it to include cinemas and live music venues. However, in response to the Coronavirus emergency, COVID-19, the Government announced in the Spring Statement 11 March 2020, that it would increase the discount to 100%, remove the rateable value limit and extend it to include the leisure and hospitality sectors.

In a further announcement 23 March 2020, the Government confirmed that some of the original exclusions for this discount were removed, so that retail, leisure and hospitality businesses that had to close as a result of the restriction measures would be eligible for the discount.

From year 2020/21 the scheme is referred to as Expanded Retail Discount. During the Budget 3 March 2021, the Chancellor announced an extension of Expanded Retail Discount for three months, at 100% uncapped relief for the period 1 April 2021 to 30 June 2021.

Then, for the period 1 July 2021 to 31 March 2022, at 66% relief with a cash cap of £2 million for businesses that were required to close as at 5 January 2021, and up to £105,000 for businesses permitted to open as at 5 January 2021.

As these measures are 2020/21 and 2021/22 only, the Government is not changing legislation, however it will reimburse local authorities that use its discretionary powers, introduced by the Localism Act (under Section 47 of the Local government Finance Act 1988, as amended) to grant relief in line with eligible criteria. Central Government will reimburse local authorities for their share of the discretionary relief under the rates retention scheme.

For the discount to be granted, the Council must make a decision within 6 months of the end of the financial year.

3.5.1.2 Key Criteria for Retail Discount Financial Year 2021/22

- i) 100% discount for the period 1 April 2021 to 30 June 2021, then.
- ii) 66% discount for the period 1 July 2021 to 31 March 2022, and.
 - A cash cap of £2 million for businesses that were required to close as at 5 January 2021
 - A cash cap of £105,000 for businesses that were permitted to open as at 5 January 2021 subject to:
 - The Property must be occupied
 - There is no rateable value limit
 - The Property must be used wholly or mainly as:
 - a) a shop, restaurant, café, drinking establishment, cinema or live music venue.
 - b) for assembly and leisure; or
 - c) a hotel, guest or boarding premises, or self-catering accommodation
 - The eligible ratepayer has not refused the discount. (The eligible ratepayer cannot withdraw their refusal for either all or part of the financial year).

3.5.1.3 Who can apply?

The Department for Levelling Up Housing and Communities has issued guidance outlining what they consider eligible property uses to mean, including:

a) Shops, restaurants, cafes, drinking establishments, cinemas, and live music venues:

- **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)

- **Hereditaments that are being used for the provision of the following services to visiting members of the public:**
 - Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops, etc)
 - Shoe repairs/key cutting
 - Travel agents
 - Ticket offices eg: for theatre
 - Dry cleaners
 - Launderettes
 - PC/TV/domestic appliance repair
 - Funeral directors
 - Photo processing
 - Tool hire
 - Care hire
 - Employment agencies
 - Estate agents and letting agents
 - Betting shops

- **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

- **Hereditaments which are being used as cinemas**

- **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 to 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.

b) For assembly and leisure:

- **Hereditaments that are being used for the provision of sport, leisure and facilities to visiting members of the public (including for the viewing of such activities):**
 - Sports grounds and clubs
 - Museums and art galleries
 - Nightclubs
 - Sport and leisure facilities
 - Stately homes and historic houses
 - Theatres
 - Tourist attractions
 - Gyms
 - Wellness centres, spas, massage parlours
 - Casinos, gambling clubs and bingo halls

- **Hereditaments that are being used for the assembly of visiting members of the public:**
 - Public halls
 - Clubhouses, clubs and institutions

c) Hotels, guest & boarding premises and self-catering accommodation:

- **Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business:**
 - Hotels, Guest and Boarding Houses
 - Holiday Homes
 - Caravan parks and sites

This guidance is not exhaustive, and it is for Authorities to determine whether particular properties not listed in the guidance notes are broadly similar in nature and if so, to consider them for relief. Conversely, properties that are not broadly similar in nature to those listed should not be eligible for the discount.

Ratepayers that occupy more than one property will be entitled to a discount for each of their eligible properties, subject to any cash cap applicable in year 2021/22.

3.5.1.4 Retail Discount Exclusions

The Government does not consider the following types of use to be retail use for the purposes of this discount:

- **Hereditaments that are being used for the provision of the following services to visiting members of the public:**
 - Financial services (e.g.: banks, building societies, cash points, bureaux de change, short term loan providers)
 - Medical services (e.g.: vets, dentists, doctors, osteopaths, chiropractors)
 - Professional services (e.g.: solicitors, accountants, insurance agents/financial advisors)
 - Post office sorting offices

- **Hereditaments that are not reasonably accessible to visiting members of the public**

3.5.1.5 Claiming Retail Discount

New applicants are required to complete an online application form available at through the link at :

<https://www.sandwell.gov.uk/supportforbusinesses>

Further information regarding the application process can be found on the same web page

3.1.5.6 Maximum Award

Financial Year 2020/21:

The total amount of Government funded discount available for each property under this scheme is 100% of the bill after all mandatory and discretionary reliefs have been applied but after discretionary reliefs granted under Section 47 of the Local Government Finance Act, for example: Hardship Relief and Discretionary Rate Relief for charity and not for profit organisations. The maximum discount awarded will not exceed the net liability.

Financial Year 2021/22:

The total amount of Government funded discount available for each property under this scheme is 100% for the period 1 April 2021 to 30 June 2021 and 66% for the period 1 July 2021 to 31 March 2022 of the

bill after all mandatory and discretionary reliefs have been applied but after discretionary reliefs granted under Section 47 of the Local Government Finance Act , for example Hardship Relief and Discretionary rate relief for charity and not for profit organisations.

Where 100% discount during the period 1 April 2021 to 30 June 2021 has been granted, a revised bill will be issued for the period 1 July 2021 to 31 March 2022. The maximum discount awarded will not exceed the net liability.

3.5.1.7 Notification

Where the application is successful, a revised bill will be issued.

Where the application is not successful, the applicant will be notified accordingly

3.5.1.8 Requirement to make payment of amounts falling due

Ratepayers' must continue to pay any amount of business rate that fall due pending the outcome of an application. The Council may apply its normal recovery procedures in cases where payments are not received.

3.5.2.1 Nursery Discount

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

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

As these measures are 2020/21 and 2021/22 only, the Government is not changing legislation, however it will reimburse local authorities that use its

discretionary powers, introduced by the Localism Act (under Section 47 of the Local government Finance Act 1988, as amended) to grant relief in line with eligible criteria. Central Government will reimburse local authorities for their share of the discretionary relief under the rates retention scheme.

For the discount to be granted, the Council must make a decision within 6 months of the end of the financial year

3.5.2.2 Key Criteria for Nursery Discount Financial Year 2021/22

- i) 100% discount for the period 1 April 2021 to 30 June 2021, then.
- ii) 66% discount for the period 1 July 2021 to 31 March 2022, and a cash cap of £105,000 *across all of their hereditaments. Where a person has a qualifying connection with another person then those persons should be treated as one person for the purposes of the cash cap. Persons shall be treated as having a qualifying connection where:*
 - a) *Both persons are companies, and*
 - i) *One is a subsidiary of the other, or*
 - ii) *Both are subsidiaries of the same company; or*
 - b) *Where only one person is a company, the other person (the ‘second person’) has such an interest in that company as would, if the second person were a company, result in its being the holding company of the other*
 - The Property must be occupied
 - There is no rateable value limit

3.5.2.3 Who can apply?

Nursery Discount will be awarded to businesses which are occupied by providers on Ofsted’s Early Years Register and which are wholly or mainly used for the provision of the Early Years Foundation Stage.

To qualify for the relief the hereditament should be wholly or mainly being used for the above qualifying purpose. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief. For the avoidance of doubt,

hereditaments which have closed temporarily due to the government's advice on COVID-19 should be treated as occupied for the purposes of this relief.

3.5.2.4 Claiming Nursery Discount

New applicants are required to complete an online application form available at the link : <https://www.sandwell.gov.uk/supportforbusinesses>

Further information regarding the application process can be found on the same web page.

3.5.2.5 Maximum Award

Eligibility will be assessed and calculated on a daily basis

The total amount of Government funded discount available for each property under this scheme is 100% for the period 1 April 2021 to 30 June 2021 and 66% for the period 1 July 2021 to 31 March 2022 of the bill after all mandatory and discretionary reliefs have been applied but after discretionary reliefs granted under Section 47 of the Local Government Finance Act , for example Hardship Relief and Discretionary rate relief for charity and not for profit organisations.

The maximum discount awarded will not exceed the net liability.

The amount awarded should be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value of the hereditament. This change of circumstances could arise during the year in question or during a later year.

It is the ratepayer's responsibility to inform the Council promptly of any changes that could affect their entitlement to a relief that has been awarded.

Any business that has been automatically re-awarded Nursery discount has the option to refuse the discount by emailing the council at business_rates@sandwell.gov.uk

3.5.2.6 Notification

Where the application is successful, a revised bill will be issued.

Where the application is not successful, the applicant will be notified accordingly.

3.5.2.7 Requirement to make a payment of amounts falling due

Ratepayers' must continue to pay any amount of business rate that fall due pending the outcome of an application. The Council may apply its normal recovery procedures in cases where payments are not received.

3.5.3.1 Covid Additional Relief Fund (CARF)

On the 25 March 2021 the government announced a new Covid-19 Additional Relief Fund (CARF) of 1.5 billion.

In late December 2021 the Government, through the Department for Levelling Up, Housing and Communities introduced the regulations to support businesses entitled to Covid-19 Additional Relief Fund (otherwise known as CARF).

Relief will be granted to businesses using discretionary relief powers under section 47 of the Local Government Finance Act 1988. This means that rather than providing a physical monetary payment, relief will be awarded through business rates accounts via our business rates systems. Revised bills will then be issued showing the amount of relief awarded. Central government will fully reimburse local authorities up to the maximum level of the allocations.

If an application for the **previous** financial year is received in time for it to be assessed by 30th September, any rate relief granted will be backdated to 1 April of that financial year or the date at which the premises were first occupied if this is later.

3.5.3.2 General Principles

This relief is payable in the 2021-22 financial year only and cannot be carried over to 2022/23.

Businesses must have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.

Businesses that have received Expanded Retail relief or Nursery Discount or those which are unoccupied in 2021-22 are ineligible for CARF.

Reliefs must be awarded after mandatory and other discretionary reliefs funded by Section 31 grants have been applied.

Where a change in circumstance occurs during 2021-22 the award of relief may need to be recalculated.

3.5.3.3 Businesses Supported

Sandwell will administer this discretionary relief in the form of a direct award (to those businesses identified as meeting the eligible criteria) equal to 18% of their Business Rates liability after mandatory and other discretionary reliefs funded by Section 31 grants have been applied.

Full details of Sandwell's Covid Additional Relief Fund (CARF) Policy can be found at

https://www.sandwell.gov.uk/downloads/download/2783/covid_additional_relie_fund_policy

3.5.3.4 Subsidy Allowances

The CARF scheme is subject to the subsidies chapter within the UK-EU Trade and Cooperation Agreement (TCA). However, for CARF there is an exemption for subsidies under the value of approximately £2,243,000 per economic actor (broadly speaking, for example, a holding company and its subsidiaries). This allowance comprises 325,000 Special Drawing Rights (at current exchange rates about £343,000) for Small Amounts of Financial Assistance and a further £1,900,000 for COVID-19 related subsidy.

Therefore, to be awarded CARF you must not have claimed over the period 2019/20 to 2021/22 more than £2,243,000 from schemes which fell within the Small Amounts of Financial Assistance or COVID-19 related allowances. COVID-19 business grants you have received from local government and the 2019/20 Retail Relief should count towards this limit, but you should not count any Extended Retail Discount you have received since 1 April 2020. Further details of subsidy control can be found at:

<https://www.gov.uk/government/publications/covid-19-additional-relief-fund-carf-local-authority-guidance>

3.5.3.5 Refusing CARF relief

Sandwell will automatically award CARF relief to businesses it identifies as meeting the criteria, however, if a business exceeds the subsidy regulations, has not been affected by Covid-19 or has had a change in circumstances and is therefore not eligible for CARF relief then they must inform the council via the email address business_rates@sandwell.gov.uk

3.5.3.4 Requests for CARF relief

Businesses that have not been automatically awarded this relief and who feel are entitled can contact the Business Rates team via business_rates@sandwell.gov.uk

3.6.1 Local Newspaper Relief

From 1 April 2017 the Government provided funding to local authorities so that they can provide a discount worth £1,500 in year 2017/18 and 2018/19 for office space occupied by local newspapers. The Autumn budget 2018 extended this relief to financial year 2019/20.

In a Written Ministerial Statement 27 January 2020, the Government further extended this relief to apply in the financial years 2020/21 to 2024/25.

Please note that this relief will cease at the end of the 2024/25 financial year

3.6.2 Eligibility Criteria

This relief is administered under the local powers discount contained in Section 47 of the Local Government Finance Act 1988.

- The relief is available to local newspapers only
- The property must be occupied by a local newspaper and used wholly or mainly as offices for journalists and reporters
- Only one discount is available per newspaper title and per property
- Subject to subsidy limits

3.6.3 Exclusions

Exclusions to this relief are local council newspapers, online publications and local magazines

3.6.4 Applications

There is no application form for this relief. To apply please email the Business Rates team business_rates@sandwell.gov.uk giving full details of why you think your business should be considered for this relief and provide all information you think is relevant to support your application.

For the relief to be granted, the council must make a decision within 6 months of the end of the financial year

3.6.5 The Maximum Award

The total amount of government funded relief available is £1,500 for each financial year 2017/18 to 2024/25 for one local newspaper title and property

The relief will be applied against the net bill after all other reliefs

3.6.6 Notification

Where the application is successful, a revised bill will be issued.

Where the application is not successful, the applicant will be notified accordingly.

3.6.7 Requirement to make a payment of amounts falling due

Ratepayers' must continue to pay any amount of business rate that fall due pending the outcome of an application. The Council may apply its normal recovery procedures in cases where payments are not received.

3.7.1 Future Reliefs in 2022/23

Should the government introduce further Business Rates Reliefs during 2022/23 due to Covid-19 we will implement these in accordance with any legislation and/or Government guidance issued, and we will update the guidance contained in the Discretionary Relief Policy document accordingly

3.7.2 Extension of Transitional Relief

At the Autumn Statement in November 2021 the government announced that it would extend the current transitional relief scheme and the supporting small business scheme for one year to the end of the current revaluation cycle.

The scheme will restrict increases in bills to 15% for businesses with small properties (up to and including £20,000 rateable value) and 25% for medium properties (up to and including £100,000 rateable value).

Changes cannot be applied in time for the issue of annual bills for 2022/23 and therefore revised bills will be issued after 1st April 2022.

- Nursery Discount.
- Local Newspaper Relief
- Material Change in circumstances relief

DISCRETIONARY RATE RELIEFS AND STATE AID/SUBSIDY CONTROL

State Aid/Subsidy Control Regulations

State Aid guidance was withdrawn on 1 January 2021. The Brexit transition period has ended and new rules on Subsidy Control now apply. For current information and to see how this may affect your business please go to <https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities>

If you believe your business will exceed the new subsidy control limits you must contact the Business Rates team via email at business_rates@sandwell.gov.uk to ask for any relief already awarded to be removed from your account

4. POLICY REVIEW

Policy Review

The policy will be reviewed annually, or sooner if appropriate, to take account of operational adjustments, feedback and or changes to legislation.

5. EQUALITIES**Equalities**

This policy has been produced in line with the Council's obligation to the Public Sector Equality Duty provided by the Equality Act 2010. No adverse impact on any protected characteristic has been identified because of this policy.