

**Manchester City Council
Report for Resolution**

Report to: Executive - 26 July 2017

Subject: National Non-Domestic Rates Policy document – update to areas of local discretion

Report of: City Treasurer

Summary

This report provides an updated version of the Council’s approach to the discretionary areas of the administration of the National Non-Domestic Rating scheme (NNDR), (more commonly referred to as Business Rates and described as such in this document).

Recommendations

Executive is requested to agree the following:

1. Approve the attached policy document, National Non-Domestic Rates Policy - areas of local discretion.
2. Delegate the review and amendment of this policy to the City Treasurer in consultation with the Executive Member for Finance and Human Resources.
3. Note that the review and amendment of the policy will implement outstanding discounts from the Autumn Statement 2016 and the Spring Budget 2017.

Wards Affected: All

Manchester Strategy outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	This policy supports businesses and organisations to aid regeneration, occupy empty business properties and bring positive benefits to residents in the city and across AGMA.
A highly skilled city: world class and home grown talent sustaining the city’s economic success	Buoyant and effective businesses and organisations in the city can increase employment and deliver development and training opportunities for Manchester residents. Supporting the right charities and non-profit making organisations should improve the skills and health of Manchester residents by increasing access to training, sport and cultural activities

A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Where possible this policy will support the occupation of empty retail properties as occupation by effective businesses and organisations can improve neighbourhoods within the city and increase employment and opportunities for Manchester residents.
A liveable and low carbon city: a destination of choice to live, visit, work	Not applicable.
A connected city: world class infrastructure and connectivity to drive growth	The proposals aim to ensure that businesses in the city are successful and support the Council's aims and objectives.

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

Changes to local government finance now mean that the income from Business Rates more directly impacts on the Council's financial position.

The Council takes a very stringent approach to any discounts that are awarded ensuring that where possible wider, resultant cost benefits are realised for Manchester residents.

The changes made to the policy and additional reliefs awarded within this report are funded by central government as such there is limited financial risk in awarding the relief.

For the Business Rates Scheme (Revaluation), Government has made available a national discretionary business rate relief fund of £300 million over four years from 2017/18 to support those businesses that face the steepest increases in their business rates as a result of the revaluation. Manchester City Council has received a grant allocation of £1,517,000 for 2017/18, followed by £737,000 in 2018/19, £303,000 in 2019/20 and finally £43,000 in 2020/21.

The Council is responsible for designing a local scheme. The scheme must be delivered within this threshold figure so as to avoid any revenue cost to the Council.

Financial Consequences – Capital

None

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Background documents (available for public inspection):

The following documents cover the background to this report and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- Discretionary Funding for BRR Relief Grant Determination (2017/18) 21/3071
- DCLG letter 28/4/2017 Discretionary Business Rates relief Scheme- payment of section 31 grant to reimburse cost of providing relief - March 2017
- DCLG consultation of proposals on the design and implementation of the locally administered Business Rates Relief Scheme
- DCLG letter 9/3/17 Business Rates Information Letter (2/2017): Spring Budget
- DCLG letter 15/5/17 Spring Budget 2017- Business Rates Relief Schemes

Introduction and background

1. As part of its role in the administration of National Non Domestic Rates (NNDR) (more commonly referred to as business rates and referred to as such in this document), the Council has several areas where it can exercise its discretion to provide a reduction to the amounts of business rates that are due to be paid.
2. Changes to local government finance now mean that the income from business rates directly impacts on the Council's financial position.
3. This policy document outlines the areas of local discretion and the Council's approach to the various discounts. This approach is cognisant of the impact on both the Council's wider financial position and council tax payers, as well as the organisations and businesses that may apply for discounts and their role in supporting Manchester residents and developing the city. Where there is potential for multiple reliefs to be claimed, the Council will award relief in a way that minimises costs to Manchester residents.
4. This document covers the following areas of discretionary relief provided for by the Council:
 - Discretionary Rate Relief Scheme;
 - Hardship Relief;
 - Local Business Rates Discounts that are funded locally;
 - Locally Business Rates Discounts that are wholly funded by central government;
 - Enterprise Zones; and
 - Business Rates Discounts announced in the Autumn 2016 Statement and the Spring 2017 budget
5. The Council's approach to discounts provided under Section 44a of the Local Government Finance Act relating to partial occupation is excluded from this document and is covered by a separate policy document.

Changes to the policy document

6. The changes to the policy document are to areas of discretion that are wholly funded by central government add these include

Wholly funded by central government

- Relief for local newspapers
- Supporting Small Business Relief Scheme

Wholly funded by central government up to maximum payment threshold

- Business Rates relief Scheme (Revaluation)

Relief for local newspapers

7. Government has determined that the Council can use its discretionary powers to provide 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.

Supporting Small Business Relief Scheme

8. In the spring 2017 Budget the Chancellor announced that a new scheme of relief would be made available to those ratepayers facing large increases as a result of the loss of small business or rural rate relief due to the revaluation and provided guidance to Council on how this should operate.
9. The Supporting Small Businesses relief will help those ratepayers who as a result of the change in their rateable value at the revaluation are losing some or all of their small business or rural rate relief and, as a result, are facing large increases in their bills.

Business Rates Relief Scheme (Revaluation)

10. Government has made available a national discretionary business rate relief fund of £300 million over four years from 2017/8 to support those businesses that face the steepest increases in their business rates as a result of the revaluation. Manchester City Council has received a grant allocation of £1,517,000 for 2017/18, followed by £737,000 in 2018/19, £303,000 in 2019/20 and finally £43,000 in 2020/21.
11. The Council is responsible for designing a local scheme cognisant of government set parameters and guidance.
12. Full details of the background, criteria and application process are contained in the attached updated policy document

Further changes

13. The following changes are pending waiting for further information from central government.

Autumn Statement 2016

14. In the Autumn Statement 2016, the government published its intention to provide a new 100% business rates relief for new full fibre infrastructure for a five year period from 1 April 2017 to support the rollout of new full fibre broadband infrastructure and future 5G communications to homes and businesses.
15. The Department for Communities and Local Government and the Valuation Office Agency will work with the telecoms sector and local government on implementing the relief and will publish guidance on how it will operate in due course.

Spring budget 2017

16. In the spring 2017 budget, the Chancellor announced a new scheme of relief to provide a new Business Rate Relief for pubs, this is now provided for in the policy.
17. At the point of publication of this report, the government is consulting with local authorities on the operation of these schemes. The Council is therefore waiting for formal guidance from government on the operation of the scheme and will be unable to determine applications until this is received.
18. At such point that the Council are provided with further guidance from government regarding the new relief schemes introduced, the Council will aim to contact businesses directly who may be eligible to receive the support outlined above. Those qualifying for a relief will have the appropriate relief applied to their Business Rates account as soon as is practicable and where appropriate a new Business Rates bill will be issued. Payment should be made in accordance with the current Business Rates bill issued until advised otherwise.
19. This policy will be updated when further information is received.

Recommendations

20. Executive is requested to agree the following:
 - Approve the attached policy document, National Non-Domestic Rates Policy - areas of local discretion.
 - Delegate the review and amendment of this policy to the City Treasurer in consultation with the Executive Member for Finance and Human Resources.
 - Note that the review and amendment of the policy will implement outstanding discounts from the Autumn Statement 2016 and the Spring Budget 2017.

Key Policies and Considerations

Equal Opportunities

21. As a public body the Council has a number of statutory duties under equalities legislation. These are often referred to as the Public Sector Equality Duties (PSED). The PSED require the Council, through its decision making process, to give due regard to the need:
 - to eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act;
 - to advance equality of opportunity between people who share a protected characteristic and those who do not;
 - to foster good relations between people who share a protected characteristic and those who do not.
22. This involves in particular having due regard, to the need to:

1. tackle prejudice; and
 2. promote understanding
23. The protected characteristics are age, disability, gender re assignment, pregnancy, maternity, race, religion or belief, sex and sexual orientation. The Equality Act explains that having due regard for advancing equality involves:
- Removing or minimising disadvantages suffered by people due to their protected characteristics
 - Taking steps to meet the needs of people from protected groups where these are different from the needs of other people. Particular attention needs to be paid to the needs of disabled people in taking account of this requirement.
 - Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low
24. The Council has considered these further changes in relation to the Equality Impact Assessment process. The assessment considered in detail what impact the proposals could have on the protected characteristics: age, disability, gender reassignment, pregnancy, maternity, race, religion or belief, sex and sexual orientation.
25. The changes proposed do not result in any changes to this assessment.

Risk Management

26. The associated risks are related to discretionary spend and ensuring that any relief granted is quantified and its impact on the Council's finances is clearly managed and understood.
27. The changes made to the policy and additional reliefs awarded are funded by central government as such there is limited financial risk in awarding the relief.
28. For the Business Rates Scheme (Revaluation), Government has made available a national discretionary business rate relief fund of £300 million over four years from 2017/8 to support those businesses that face the steepest increases in their business rates as a result of the revaluation. Manchester City Council has received a grant allocation of £1,517,102 for 2017/18. The Council is responsible for designing a local scheme. The scheme must be delivered within this threshold figure so as to avoid any revenue cost to the Council.

Legal Considerations

29. The legal considerations are contained within the report.

Appendix One



**MANCHESTER
CITY COUNCIL**

Manchester City Council

**National Non-Domestic Rates
Policy document - areas of local
discretion**

Operational from 1 April 2017

Version 5 April 2017

1. Introduction and Scope

As part of its role in the administration of National Non Domestic Rates (NNDR) (more commonly referred to as business rates and referred to as such in this document), the Council has several areas where it can exercise its discretion to provide a reduction to the amounts of business rates that are due to be paid.

Changes to local government finance now mean that the income from business rates directly impacts on the Council's financial position.

This policy document outlines the areas of local discretion and the Council's approach to the various discounts. This approach is cognisant of the impact on both the Council's wider financial position and council tax payers, as well as the organisations and businesses that may apply for discounts and their role in supporting Manchester residents and developing the city. Where there is potential for multiple reliefs to be claimed, the Council will award relief in a way that minimises costs to Manchester residents.

This document covers the following areas of discretionary relief provided for by the Council:

- Discretionary Rate Relief Scheme;
- Hardship Relief;
- Local Business Rates Discounts that are funded locally;
- Locally Business Rates Discounts that are wholly funded by central government;
- Enterprise Zones; and
- Business Rates Discounts announced in the Autumn 2016 Statement and the Spring 2017 budget

The Council's approach to discounts provided under Section 44a of the Local Government Finance Act relating to partial occupation is excluded from this document and is covered by a separate policy document.

Where the Council exercises its discretion to award relief, the Council will not consider retrospective applications that are made for a relief period that is more than six months after the end of the financial year to which it relates (as defined by S47 of the Local Government Finance Act as amended by Local Government and Rating Act 1997, S3, P23).

The Council expects that payment of the rates due is made pending the result of any application for relief. Failure to make the required payments will result in recovery action in accordance with the debt recovery policy

2. Discretionary Rate Relief Scheme

The Local Government Finance Act 1988 requires the Council to maintain a Discretionary Rate Relief Scheme to consider applications for business rates relief of up to 100% to certain organisations which operate within specified criteria.

This includes:

- Charitable bodies (who receive mandatory 80% relief). The Council has further discretion to 'top up' this relief to 100% of the rates due.
- Registered community amateur sports clubs (CASCs) (who receive mandatory 80% relief). 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 discretionary rate relief of between 0 and 100% of the business rates due.

We will invite applications from charities, CASCs and non-profit making organisations under the discretionary scheme. Applications made by agents must include written confirmation signed by the ratepayer that the application is being made on their behalf. The state aid declaration on the application form must be signed by the ratepayer.

In determining 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 relief.

Any award granted will be made as a credit to the business rates account. If the account is in credit as a result this can be refunded on request to the ratepayer.

2.1 Charitable bodies (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 (including charity shops, where the goods sold are mainly donated and the proceeds are used for the purpose of the charity).

Registration under the Charities Act 1993 is conclusive evidence of charitable status. Bodies which, under the 1993 Act, are exempted from registration are also eligible for mandatory relief. Providing the above criteria are met, 80% mandatory rate relief is granted.

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.

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. The principle consideration is that any relief is in the best interests of the taxpayers of Manchester City Council, as the Council must bear the cost of any relief granted.

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

- How the charity supports and links into the Council's corporate vision and priorities;
- The purpose of the charity and the specific activity carried out within the building for which the relief is requested; and

- Whether the charity operates at a local or national level and where appropriate, the local and national funding streams and financial position of the charity.

2.2 Registered Community Amateur Sports Clubs

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:

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

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'.

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 principle consideration is that any relief is in best interests of the taxpayers of Manchester City Council, as the Council must bear the cost of any relief granted.

In determining the application the following matters will be taken in to consideration (list is not exhaustive):

- How the CASC supports and links into the Council's corporate vision and priorities;
- The membership and fee structure and whether the CASC is accessible to all residents, including whether there are concessions for certain groups, for example people on a low income or young people under 18;
- Membership numbers and the number and percentage of these members that are Manchester residents;
- If the CASC has due regard to equality issues and if it actively encourages members from under-represented groups, for example black and minority ethnic residents, people over 50 and people with disabilities; and
- Whether facilities are available to the wider community regardless of ability.

We will also require additional financial information including:

- If the CASC runs a bar or food provision, the level of income from this activity and how this money is used; and
- Whether the CASC operates at a local or national level and where appropriate, the local and national funding streams and financial position of the CASC.

2.3 Non-profit making organisations

The Council has the power to grant discretionary rate relief of up to 100% of the rates due to other non-profit making organisations. The relief could be given to properties used by non-profit making organisations for recreational, charitable or philanthropic

purposes or in connection with education, social welfare, science, literature or the fine arts.

The Council will consider applications for discretionary rate relief from non-profit making organisations on their own merits on a case by case basis.

The principle consideration is that any relief is in best interests of the taxpayers of Manchester City Council, as the Council must bear the cost of any relief granted.

In determining the application the following matters will be taken in to consideration (list is not exhaustive):

- How the organisation supports and links into the Council's corporate vision and priorities;
- Whether the facilities provided include education and/or training for members as a whole or for special groups;
- The extent to which the facilities provided reduce the demand for Council services or produce savings;
- Any membership and fee structure and whether the facilities are accessible to all residents, including whether there are concessions for certain groups, for example people on a low income or young people under 18;
- If covered by a membership scheme, membership numbers and the number and percentage of these members that are Manchester residents; and
- If the organisation has due regard to equality issues and if its facilities are used by all members of the community, for example black and minority ethnic residents, people over 50 and people with disabilities.

We will also require additional financial information including:

- If the organisation runs a bar or food provision, the level of income from this activity and how this money is used; and
- Whether the organisation operates at a local or national level and where appropriate, the local and national funding streams and financial position of the organisation.

2.4 Decision making process for Discretionary Rates Relief applications

Applications where the financial award would be less than £50,000 per annum based on an annual rates bill will be considered by a panel made up of:

- The Head of Revenues, Benefits and Shared Services
- The Revenues Manager; and
- The Business Rates Manager or one of the Business Rates Team managers.

Where the application is refused, any requests for a review of the decision will be considered by either the Deputy City Treasurer or Head of Finance (Corporate Core).

Applications where the financial award would be more than £50,000 per annum based on an annual rates bill would be considered by a panel made up of:

- The Business Rates Manager;

- The Deputy City Treasurer; and/or
- Head of Finance (Corporate Core).

Where the application is refused, any requests for a review of the decision will be considered by the City Treasurer.

3. Hardship Relief from Business Rates

The Council is able to exercise its discretion under Section 49 of the Local Government Finance Act 1998 to provide either partial or full relief from business rates in cases of hardship where it would be reasonable to do so having due regard to the interests of council tax payers in general.

The Council will consider applications for hardship relief from individuals and organisations based on their own merits on a case by case basis. Applications made by agents must include written confirmation signed by the ratepayer that the application is being made on their behalf. The state aid declaration on the application form must be signed by the ratepayer.

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 best interests of the taxpayers of Manchester City Council, as the Council must bear the cost of any relief granted.

Any award granted will be made as a credit to the business rates account. If the account is in credit as a result this can be refunded on request to the ratepayer.

3.1 Decision making process for Hardship Relief applications

Applications will be considered by a panel made up of:

- The Head of Revenues, Benefits and Shared Services
- The Revenues Manager; and
- The Business Rates Manager or one of the Business Rates Team managers.

Where the application is refused, any requests for a review of the decision will be considered by either the Deputy City Treasurer or Head of Finance (Corporate Core).

4. Local Business Rate Discount – funded locally

Section 69 of The Localism Act 2011 amends Section 47 of the Local Government Finance Act 1988 and allows the Council to grant locally determined business rate discounts (in addition to the already available discretionary rate reliefs).

The power recognises that the current business rates scheme is broadly prescribed by central government and its aim is to provide increased flexibility to local authorities to support organisations, recognising the variations in economic conditions across and within local authority boundaries.

The Council will invite and consider exceptional applications for a local business rates discount from organisations, based on their own merits and on a case by case basis.

When deciding whether to award a local business rates discount, the principle consideration will be that in granting any discount there should be a resultant substantial, positive impact for residents and taxpayers in the city, as the Council must bear the cost of any relief granted.

The following criteria will also be taken into account when considering applications:

- Whether the organisation provides substantial and essential long term benefits to both the community and the council tax payer, such as increasing employment or improving amenities available to the local community; and
- Consideration of whether there are other businesses in the area which provide the same or similar services or facilities and whether the award could have an anti-competitive effect on other businesses in the city.

Applications made by agents must include written confirmation signed by the ratepayer that the application is being made on their behalf. The state aid declaration on the application form must be signed by the ratepayer.

Any award will be made as a credit to the business rates account. If the account is in credit as a result this can be refunded on request to the ratepayer.

4.1 Decision making process for Local Business Rate Discount – funded locally

Applications will be considered by a panel made up of:

- The Business Rates Manager;
- The Deputy City Treasurer; and/or
- Head of Finance (Corporate Core).

Where the application is refused, any requests for a review of the decision will be considered by the City Treasurer.

5. Local Business Rates Discount that are wholly funded by Central Government

There are four schemes administered by the Council, where any relief granted is wholly funded by central government subject to specific criteria.

These include:

- New Build Empty Property relief
- Relief for Local Newspapers
- Supporting Small Business Relief Scheme
- Pubs Relief Scheme

The Council will be using its discretionary powers under section 47 of the Local Government Finance Act 1988 as amended to grant relief. Central government will

fully reimburse the Council using a grant under section 31 of the Local Government Act 2003.

5.1 New Build Empty Property Relief

Government has determined that the Council can use its discretionary powers to exempt all newly built commercial property completed between 1 October 2013 and 30 September 2016 from empty property rates for the first 18 months, up to state aid limits. The government has stated that it will be fully funding any relief granted within the agreed protocols.

The Council has agreed to use these powers and invites applications from organisations that meet the criteria.

Determination and award of any exemption will be in accordance with the Department for Communities and Local Government, Business Rates New Build Empty Property Guidance (September 2013).

Applications made by agents must include written confirmation signed by the ratepayer that the application is being made on their behalf. The state aid declaration within the application form must be signed by the ratepayer.

Any award will be made as a credit to the business rates account. If the account is in credit as a result this can be refunded on request to the ratepayer.

5.2 Local Newspapers

Government has determined that the Council can use its discretionary powers to provide 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.

The Council has agreed to use these powers and invites applications from organisations that meet the criteria.

Applications made by agents must include written confirmation signed by the ratepayer that the application is being made on their behalf. The state aid declaration within the application form must be signed by the ratepayer.

Any award will be made as a credit to the business rates account. If the account is in credit as a result this can be refunded on request to the ratepayer.

5.3 Supporting Small Businesses Relief Scheme

5.3.1 Background

In the spring 2017 Budget the Chancellor announced that a new scheme of relief would be made available to those ratepayers facing large increases as a result of the loss of small business or rural rate relief due to the revaluation and provided guidance to Council on how this should operate.

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

The Council has agreed to use these powers and will award the relief to organisations that meet the criteria.

Applications made by agents must include written confirmation signed by the ratepayer that the application is being made on their behalf. The state aid declaration within the application form must be signed by the ratepayer.

Any award will be made as a credit to the business rates account. If the account is in credit as a result this can be refunded on request to the ratepayer.

In 2016/17, eligible ratepayers with a rateable value less than or equal to £6,000 were entitled to 100% small business rate relief. Those with a rateable value of between £6,000 and £12,000 receive tapered relief from 100% to 0%. From April 2017, government has increased the thresholds to £12,000 for the 100% relief and £15,000 for the tapered relief. This has meant that most ratepayers currently entitled to small business rate relief will pay less or nothing following the revaluation. However, some ratepayers that are facing large increases in their rateable value will lose some or all of their small business rate relief.

The transitional relief scheme does not provide support in respect of changes in reliefs. Therefore, those ratepayers who are losing some or all of their small business or rural rate relief may be facing large percentage increases in bills from 1 April 2017.

5.3.2 Eligibility criteria and award amounts

This section describes in principle the Supporting Small Business Scheme.

The aim of this scheme is to ensure that the increase per year in the bills is limited to the greater of:

1. A percentage increase per annum of 5%, 7.5%, 10%, 15% and 15% between 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 rural rate relief , or
2. 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, 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.

Those on the Supporting Small Businesses relief scheme whose 2017 rateable values are £51,000 or more will not be liable to pay the supplement (1.3p) to fund small business rate relief while they are eligible for the Supporting Small Businesses relief scheme.

Ratepayers remain in the Supporting Small Businesses relief scheme for either 5 years or until they reach the bill they would have paid without the scheme. A change of ratepayers will not affect eligibility for the Supporting Small Businesses relief scheme but eligibility will be lost if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club.

There is no 2nd property test for eligibility for the Supporting Small Businesses relief scheme. However, those ratepayers who during 2016/17 lost entitlement to small business rate relief because they failed the 2nd property test but have, under the rules for small business rate relief, been given a 12 month period of grace before their relief ended can continue on the scheme for the remainder of their 12 month period of grace.

5.3.3 Recalculations of relief

The amount of relief awarded under the Supporting Small Businesses relief scheme will be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or the hereditament. This change of circumstances could arise during the year in question or during a later year.

The Non-Domestic Rating (Discretionary Relief) Regulations 1989 (S.I. 1989/1059) require authorities to provide ratepayers with at least one year's notice in writing before any decision to revoke or vary a decision so as to increase the amount the ratepayer has to pay takes effect. Such a revocation or variation of a decision can only take effect at the end of a financial year. But within these regulations, the Council may still make decisions which are conditional upon eligibility criteria or rules for calculating relief which allow the amount of relief to be amended within the year to reflect changing circumstances.

5.3.4 Other reliefs

Hereditaments eligible for charity or Community Amateur Sports Club relief or hereditaments which are unoccupied are not eligible for Supporting Small Businesses Relief.

Small business rate relief or rural rate relief will not be applied to further reduce the bill found under Supporting Small Business relief.

The same principle applies to properties for which a Section 44A certificate has been granted (apportionment of rateable values for partly occupied properties). The presence of a section 44A certificate will not further reduce the bill found under the Supporting Small Business scheme.

All other discretionary reliefs, including those funded by section 31 grants, will be considered after the application of Supporting Small Businesses relief.

5.4 Pubs Relief Scheme

5.4.1 Background

At the spring 2017 Budget, the Government also announced a new relief scheme for pubs that have a rateable value of below £100,000. Under the scheme, eligible pubs will receive a £1,000 discount on their bill. The relief will have effect for 2017/18. The Council has agreed to use these powers and will award the relief to organisations that meet the criteria.

Applications made by agents must include written confirmation signed by the ratepayer that the application is being made on their behalf. The state aid declaration within the application form must be signed by the ratepayer.

Any award will be made as a credit to the business rates account. If the account is in credit as a result this can be refunded on request to the ratepayer.

5.4.2 Eligibility Criteria

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

5.5 Decision making process for Local Business Rate Discount that are wholly funded by government

Applications will be considered by a panel made up of:

- The Business Rates Manager; and
- The Revenues Manager.

Where the application is refused, any requests for a review of the decision will be considered by the Head of Revenues, Benefits and Shared Services.

6. Local Business Rates Discount that are wholly funded by Central Government up to a maximum grant threshold

The Business Rates Relief Scheme (revaluation) is administered by the Council, with any relief wholly funded by government subject to criteria and maximum grant threshold of £1.517,102. Any awards above this amount are funded by the Council.

The Council will be using its discretionary powers under section 47 of the Local Government Finance Act 1988 as amended to grant relief. Central government will fully reimburse the Council up to the maximum threshold using a grant under Section 31 of the Local Government Act 2003.

6.1 Business Rates Relief Scheme (revaluation) background

Government has made available a national discretionary business rate relief fund of £300 million over four years from 2017/8 to support those businesses that face the steepest increases in their business rates as a result of the revaluation. Manchester City Council has received a grant allocation of £1.517,102 for 2017/18, followed by £737,000 in 2018/19, £303,000 in 2019/20 and finally £43,000 in 2020/21

The Council is responsible for designing a local scheme.

As required by government, the Council has consulted with major precepting authorities and the combined authority.

The Council has agreed to use these powers and invites applications from organisations that meet the criteria.

Determination and award of any award will be in accordance with the Department for Communities and Local Government consultation document on the design and implementation of the locally administered Business Rates Relief Scheme (March 2017) and subsequent letter of 28 April 2017.

Applications made by agents must include written confirmation signed by the ratepayer that the application is being made on their behalf. The state aid declaration within the application form must be signed by the ratepayer.

Any award will be made as a credit to the business rates account. If the account is in credit as a result this can be refunded on request to the ratepayer.

6.2 Criteria

The Council has agreed to use these powers and invites applications from organisations that meet the following criteria.

Applications for relief will only be considered from those ratepayers who are facing an increase in their bills following revaluation based on the following conditions:

- The rateable property has a rateable value for 2017/18 that is less than £200,000; and
- The increase in the rateable property's 2017/18 bill is more than 12.5% compared to its 2016/17 bill (before reliefs).
- The ratepayer must have been in continual occupation from a date before 1 April 2017.

In addition, more support will be provided to:

- Ratepayers or localities that face the most significant increases in bills; and
- Ratepayers occupying lower value properties

All applications will be considered on their own merits in an open and transparent manner.

In doing so the Council will be mindful of the following matters when considering applications:

- Whether the ratepayer, business or organisation provides any benefits to the city, the community and/or the council tax payer, such as increasing employment or improving amenities available to the local community.
- Consideration of whether there are other businesses in the area which provide the same or similar services or facilities and whether the award could have an anti-competitive effect on other businesses in the city.
- Consideration of whether there are other businesses in the area which provide the same or similar services or facilities and the impact of these establishments on neighbourhoods and communities. This is especially relevant for betting shops, payday loan shops and pawnbrokers.
- The individual merits of each application taking into account whether the business is supporting the Council's wider objectives.
- The number of employees based in the hereditament on which relief is being sought.
- The scale of the organisation and whether they are a national/multi-national concern opposed to local concern.
- Whether the business property is empty or occupied periods.
- Whether the Council determines that an intermittent occupation tax mitigation/avoidance scheme is in operation.

The Council will not grant any relief where a business is determined to be having a detrimental impact on neighbourhoods and communities. This is especially relevant for off licences, take away and late night food establishments and pubs, bars and

shisha bars where applications will be considered in the context of the impact on the neighbourhood and community.

The Council reserves the right to decline an application or withdraw an award where it considers appropriate and is unlikely to favourably consider an application for relief if a business has had their premises licence reviewed by the Council within the last twelve months.

6.4 Changes

Any decisions made by the Council and the amount of any relief within the Business Rates Relief Scheme (revaluation) are conditional and will be amended to reflect changing circumstances, for example rateable value changes.

It is therefore a condition of the award that the relief will be recalculated in the event of a change to the rating list for the property (retrospective or otherwise).

Any awards will also be considered cognisant of State Aid rules (section 8 of this policy).

6.5 Impact of other business rates relief and discounts

The Council will not provide Business Rates Relief Scheme (revaluation) to properties which would otherwise qualify for Enterprise Zone funded relief. Similarly, if a business is eligible for discretionary relief wholly funded by central government, the Council will first award relief under those schemes first. .

6.6 Decision making process

Applications will be considered by a panel made up of:

- The Business Rates Manager; and
- The Revenues Manager.

Where the application is refused, any requests for a review of the decision will be considered by the Head of Revenues, Benefits and Shared Services.

7. Enterprise Zones

Enterprise Zones were announced by the government in the 2011 budget. There are a number of Enterprise Zones across the country. Their aim is to stimulate business growth in designated areas by providing financial incentives and simplified planning arrangements to businesses and to councils. The aim is that they will provide jobs and drive local and national growth.

There are two Enterprise Zones in Manchester.

- The Airport City Enterprise Zone in Manchester is a set of linked sites around Manchester Airport, Wythenshawe Town Centre, 'Medipark' at University Hospital South Manchester Foundation Trust and Roundthorn Industrial

Estate. These are in parts of Woodhouse Park and Baguley in the South of the city.

- The Corridor Manchester Enterprise Zone comprises two sites in Manchester, MSP's Manchester Science Park campus and Citylabs campuses.

The Council has discretion to grant a 100% Enterprise Zone business rates discount for a five year period up to State Aid De Minimis levels (detailed guidance available) to businesses that are in the Airport City Enterprise Zone between 1 April 2012 and 31 March 2018 (inclusive) or for businesses in the Corridor Manchester Enterprise Zone between 1 April 2016 and 31 March 2021.

The discount reduces the amount of business rates that the business would have to pay to the Council.

This is a complex area that is covered by legislation and businesses are advised to read all the guidance that is available on the Council's website or on request and seek advice before submitting an application form or committing to a move into the zone.

7.1 Exclusions

The Council will not normally consider Enterprise Zone awards for empty properties or car spaces. Each case will be considered on its own merits cognisant of the aims of the Enterprise Zone scheme.

7.2 Decision making process for Enterprise Zone Discount

Applications will be considered by a panel made up of:

- The Business Rates Manager; and
- The Revenues Manager.

Where the application is refused, any requests for a review of the decision will be considered by the Head of Revenues, Benefits and Shared Services.

8. Business Rates discounts from the Autumn Statement 2016 and Spring Budget 2017

8.1 Autumn Statement 2016

In the Autumn Statement 2016, the government published its intention to provide a new 100% business rates relief for new full fibre infrastructure for a five year period from 1 April 2017 to support the rollout of new full fibre broadband infrastructure and future 5G communications to homes and businesses.

The Department for Communities and Local Government and the Valuation Office Agency will work with the telecoms sector and local government on implementing the relief and will publish guidance on how it will operate in due course.

At such point that the Council are provided with further guidance from government regarding the new relief scheme introduced, the Council will aim to contact businesses directly who may be eligible to receive the support outlined above. Those qualifying for a relief will have the appropriate relief applied to their Business Rates account as soon as is practicable and where appropriate a new Business Rates bill will be issued. Payment should be made in accordance with the current Business Rates bill issued until advised otherwise.

This policy will be updated when further information is received.

9. Applications and review process

All applications for discretionary discounts should be made in writing where possible using the Council's application forms. The Council will also require evidence to support applications, the details of which will be included on each claim form.

The Council will expect the applicant to include all information that they wish to be considered with the application.

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

10. Award periods

All areas of discretionary relief will normally be granted for up to one financial year or as stipulated by government conditions for Local Business Rates Discount wholly funded by central government.

If necessary any relief will be subject to an annual review process. The Council reserves the right to review the award should the circumstances of the organisation change during the period of the award.

11. State Aid

State Aid refers to forms of assistance from a public body, or publicly-funded body, given to selected undertakings (any entity which puts goods or services on the given market), which has the potential to distort competition and affect trade between member states of the European Union.

European Union State Aid rules generally prohibit government subsidies to businesses. Relief from taxes, including non-domestic rates, can in some cases constitute State Aid.

However, there is a general exception from the State Aid rules, where the aid is below a "de minimis" level (see Comm Reg 69/2001). This is €200,000 to any one business over any three year period.

The Council will be mindful of these rules and will ensure compliance with the legal requirements and any permitted exemptions. Each case will be considered based on the ratepayer's individual circumstances in full consideration of the State Aid rules.

12. Policy Review

This policy will be reviewed on an annual basis or sooner if there is a change in legislation that would affect its operation.