

Cherwell District Council

Business Rates 100% Rural Rate Relief Policy

1. Introduction

At the Autumn Statement on 23 November 2016 the Chancellor of the Exchequer confirmed that rural rate relief will double from 50% to 100% from 1 April 2017.

The Government intends to amend the relevant primary legislation to require local authorities to grant 100% mandatory rural rate relief to take effect from 1 April 2018. However, before the grant mandatory relief comes into force the Government expects local authorities to use their local discount powers to grant 100% rural rate relief to eligible ratepayers from 1 April 2017.

2. The rural rate relief scheme - background

The rural rate scheme was introduced to help protect the last retail outlets and similar services in rural settlements with a population of less than 3,000.

Under the scheme the following businesses in designated rural settlements are entitled to 50 per cent mandatory rate relief:

- the sole village shop or post office with a rateable value of up to £8,500
- the sole public house or petrol station with a rateable value of up to £12,500

Local authorities have a discretionary power to top up the mandatory relief to 100 per cent.

3. Eligibility criteria

Any business entitled to Mandatory Rural Rate Relief as above will be eligible for the increased level of discount off their rates bill.

4. Claiming 100% Rural Rate Relief

We will automatically award 100% Rural Rate Relief if your property meets the eligibility criteria and apply it to your bill. We do, however, require you to make a “De Minimis” Declaration in relation to State Aid (see below) to confirm the award of the relief.

5. State Aid

Awards such as 100% Rural Rate Relief are required to comply with European Law on State Aid. State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. Rural Rate Relief is, however, State Aid compliant where it is provided in accordance with De Minimis Regulations. We have to establish the award will not result in you (“the undertaking”) having received more

than €200,000 of De Minimis aid in a three year period and will send you a De Minimis Declaration form for completion and return.

6. How much relief will be available?

The total amount of relief available is 100% of the business rates bill. The relief will be applied to the bill after any other reliefs have been given.

7. How will payments be made?

Relief awarded will be credited against your Business Rates Bill.