



Sandwell Metropolitan Borough Council

Revenues and Benefits Service

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

2024/25

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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 organisation's 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:

- Charity and Non-Profit Making Organisations 'Top Up'
- Reliefs made available under the Localism Act 2011:
 - (i) 'Section 69' Localism Relief
- Part Occupied/Part Void Section 44A Relief
- Discretionary Relief Introduced April 2023:
 - (i) Supporting Small Business Relief
- Discretionary Reliefs introduced during 2023/24 and 2024/25

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 specialisms 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

Prior to 1st April 2024 an application for the **previous** financial year had to be received and assessed by 30th September.

For example:

An application for backdated relief for 2022/23 (covering the period 1 April 2022 – 31 March 2023), is received by the Council in time for it to be assessed and approved before 30 September 2023, then DRR would be backdated to 1 April 2022, or the date of occupation if later).

From the 1st April 2024 the local authority is able to operate relief without restriction in respect of the financial year 2023/24 onwards.

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

<https://www.sandwell.gov.uk/business-rates/charitable-relief>

Details of the criteria and guidance notes are also available on the Council's website

<https://www.sandwell.gov.uk/downloads/download/33/charitable-and-discretionary-relief>

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

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

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 are borne solely by council taxpayers 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 dependent 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 our online contact us form

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

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) apportions 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 If a visit to the property is required to assist in making a decision on an application, 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 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
- 3.3.6 Following any inspection of the premises but before being referred to the VOA, applications will need to be approved by the Council's Section 151 Officer.
- 3.3.7 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
- 3.3.8 For any application approved, details with regards to the unoccupied area 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.
- 3.3.9 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

- 3.3.10 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
- 3.3.11 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

- 3.3.12 Applications must be in writing. An MS Word application form is available via the following link
http://www.sandwell.gov.uk/info/200308/business_rates/2954/partly_occupied_property_relief_section_44a

- 3.3.13 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
- 3.3.14 Once an application has been received, if a visit is required 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

- 3.3.15 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
- 3.3.16 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

- 3.3.17 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
- 3.3.18 If there is a change in the rateable value, relief will be apportioned or removed as appropriate

Notification of Decision

- 3.3.19 The Council will notify the ratepayer of their entitlement to relief by the issue of an amended demand notice. Where an application is refused, businesses will be informed by the council of this decision in writing.

Decision Review Process

- 3.3.20 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
- 3.3.21 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
- 3.3.22 A request for review must be made within one calendar month of the date of refusal
- 3.3.23 The ratepayer will be notified of the outcome of the review in writing.
- 3.3.24 This review process does not affect a ratepayer's legal right to seek to challenge a decision by way of Judicial Review

3.4 Supporting Small Businesses Scheme ('SSBR')

3.4.1 2023 Supporting Small Businesses Scheme ('SSBR')

Eligibility and Level of Relief

The Government announced at the 2022 Autumn Statement that for 2023/24 to 2025/26, SSBR is to provide support to businesses losing eligibility for some or all Small Business Rate Relief or Rural Rate Relief as a result of their rateable value increasing through the 2023 revaluation.

The relief ensures small businesses do not have to pay more than £600 increase per year effective from 01 April 2023.

Charities and Community Amateur Sports clubs, who are already entitled to mandatory 80% relief, are not eligible for 2023 SSBR.

A change of ratepayers will not affect eligibility for the SSBR 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 second property test for eligibility for the 2023 SSBR scheme. However, those ratepayers who during 2022/23 lost entitlement to Small Business Rate Relief (because they failed the second 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 2023 SSBR scheme for the remainder of their 12 month period of grace.

Period of Entitlement to 2023 SSBR

The 2017 SSBR scheme was provided to support small and medium ratepayers who had seen large increases in their bills at the 2017 revaluation, and those ratepayers have had 6 years of support to allow them to adjust to their full 2017 bills. Therefore, for those ratepayers receiving 2017 SSB relief in 2022/23, any eligibility for 2023 SSBR will end on 31 March 2024. Relief for these ratepayers is awarded for one year only.

All other eligible ratepayers receiving 2023 SSBR will receive relief for either 3 years or until they reach the bill they would have paid without the scheme.

Sequence of Reliefs

SSBR is to be awarded after any eligibility to Transitional Relief and Small Business Rate Relief.

All other discretionary reliefs, including those funded by section 31 grants will be considered after the application of 2023 SSBR.

Subsidy Control

The 2023 SSBR is likely to amount to a subsidy. Therefore, any relief provided by local Authorities under this scheme will need to comply with the UK's domestic and international subsidy control obligations.

The local authority is seeking to provide relief that falls below the Minimal Financial Assistance (MFA) thresholds, the Subsidy Control Act allows an economic actor (e.g. a holding company and its subsidiaries) to receive up to £315,000 in a three-year period (consisting of the 2023/24 year and the two previous financial years). MFA subsidies cumulate with each other and with other subsidies that fall within the category of 'Minimal or SPEI financial assistance'. BEIS COVID-19 business grants and any other subsidies claimed under the Small Amounts of Financial Assistance limit of the Trade and Co-operation Agreement should be counted under the £315,000 allowance.

In those cases where it is clear to the local authority that the ratepayer is likely to breach the MFA limit then the authority will automatically withhold the relief.

Applying the relief

Sandwell MBC has identified the businesses that are eligible for the 2023 SSBR scheme. Ratepayers eligible for the scheme starting in the 2023/24 financial year have been automatically awarded a reduction in line with the new scheme to help off-set the increase in their business rates.

The amount of relief awarded under Supporting Small Business Relief scheme will be recalculated in the event of a change of circumstances, including changes such as a backdated change to the rateable value or the property or the award of another relief.

3.5 DISCRETIONARY RELIEFS INTRODUCED DURING 2023/24 and 2024/25

3.5.1.1 Retail, Hospitality and Leisure Relief 2023/24

The Government announced in the Budget on 17 November 2022 that it will provide a Relief of 75% up to a cash cap limit of £110,000 per business for retail, hospitality and leisure properties.

As these measures are 2023/24 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.

Prior to 1st April 2024 an application for the **previous** financial year had to be received and assessed by 30th September.

For example:

An application for backdated relief for 2022/23 (covering the period 1 April 2022 – 31 March 2023), is received by the Council in time for it to be assessed and approved before 30 September 2023, then DRR would be backdated to 1 April 2022, or the date of occupation if later).

From the 1st April 2024 the local authority is able to operate relief without restriction in respect of the financial year 2023/24 onwards.

3.5.1.2 Retail, Hospitality and Leisure Relief 2024/25

The Government announced in the Autumn Statement on 22 November 2023 that it would extend the Relief of 75% up to a cash cap limit of £110,000 per business for retail, hospitality and leisure properties.

As these measures are 2024/25 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.

From the 1st April 2024 the local authority is able to operate relief without restriction in respect of the financial year 2023/24 onwards.

3.5.1.3 Key Criteria for Retail, Hospitality and Leisure relief Financial Year 2023/24 and 2024/25

- i) 75% relief for the period 1 April 2023 to 31 March 2024 or 75% relief for the period 1 April 2024 to 31 March 2025
 - A cash cap of £110,000 per business 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, cinemas 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 relief. (The eligible ratepayer cannot withdraw their refusal for either all or part of the financial year).

3.5.1.4 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 e.g.: for theatre
 - Dry cleaners
 - Launderettes
 - PC/TV/domestic appliance repair
 - Funeral directors
 - Photo processing
 - Tool hire
 - Care hire
- **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 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 2024/25.

3.5.1.5 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, betting shops)
 - Medical services (e.g.: vets, dentists, doctors, osteopaths, chiropractors)
 - Professional services (e.g.: solicitors, accountants, insurance agents/financial advisors, employment agencies, estate agents, letting agents)
 - Post office sorting offices

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

3.5.1.6 Claiming Retail Discount

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

https://www.sandwell.gov.uk/info/200308/business_rates/4268/retail_relief

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

3.5.1.7 Maximum Award

The total amount of Government funded discount available for each property under the 2023/24 and the 2024/25 scheme is 75%, 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.

3.5.1.8 Notification

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

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

3.5.1.9 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 Heat Network Relief

In its Final Report of the business Rates Review published in October 2021, the government announced a 100% relief for eligible low-carbon heat networks that have their own rates bill.

The relief is targeted at hereditaments being used wholly or mainly as a heat network which have their own rating assessment. The relief will be for those networks generating from a low carbon source.

Heat networks take heat or cooling from a central source(s) and deliver it to a variety of different customers such as public buildings, shops, offices, hospitals, universities and homes. By supplying multiple buildings, they avoid the need for individual boilers or electric heaters in every building. Heat networks have the potential to reduce bills, support local regeneration and be a cost-effective way of reducing carbon emissions from heating.

At the Spring Statement 2022, the Chancellor announced that the heat network relief will apply from 1 April 2022 and will be delivered by Local Authorities using their discretionary relief powers. This approach has also been confirmed for the relief to be continued to be provided in the financial year 2023/24.

Eligibility

In order to be eligible for Heat Network Relief the hereditament must be:

- a) wholly or mainly used for the purposes of a heat network.
- b) The heat is over the next 12 months (based on a forecast) expected to be generated from a low carbon source (irrespective of whether that source is located on the hereditament or on a different hereditament).

Wholly or Mainly used for the purpose of a heat network

For these purposes, a heat network is a **facility, such as a district heating scheme, which supplies thermal energy from a central source to consumers via a network of pipes for the purposes of space heating, space cooling or domestic hot water.** Hereditaments wholly or mainly providing heat for a different purpose (such as an industrial process) are not eligible

The test will be applied to the hereditament as a whole and heat network relief is not available on part of a hereditament. Many small and medium scale heat networks, such as common heating systems in multi-occupied buildings or estates, do not give rise to a separate business rates bill. In these cases, the heat network forms part of the services of the properties which have a wider purpose (e.g. offices) and therefore would not be eligible for Heat Network Relief.

The test is on thermal energy. This means that the purposes of generating electricity does not count towards meeting the wholly or mainly test and, as a result, the government does not anticipate hereditaments comprising power stations and a heat recovery and network system to qualify.

The Heat is generated from a low carbon source

A low carbon source is a source of which at least

- a) 50% is renewable
(A renewable source is any of the sources listed in Class 1(e) of the Schedule to the Valuation for Rating (Plant and Machinery) (England) Regulations 2000 (SI 2000 No. 540))
- b) 50% is waste heat.
(Waste heat includes heat or coolth unavoidably generated as a by-product of another process, which would be wasted if not used for the purposes of a district heating network)
- c) 75% is cogeneration heat (where cogeneration' means the simultaneous generation in one process of thermal energy and electrical or mechanical energy), or
- d) 75% is a combination of the sources above

Reliefs Awarded

Relief is available at 100% of the chargeable amount for the hereditament for any day on which the eligibility criteria are met. Therefore, for eligible hereditaments the rates liability will fall to nil from 1 April 2023.

The heat network relief will be applied after mandatory reliefs but before any other discretionary reliefs.

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

Subsidy control

The Heat Network relief is subject to the UK's domestic and international subsidy control obligations. Businesses eligible for relief will need to fulfil any requirements in place to ensure compliance with those obligations in advance of, during, and after claiming relief.

Claiming Heat Network Relief

There is no application form for this relief. To apply please use our online contact us form <https://www.sandwell.gov.uk/contactusbusinessrates> 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.

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 use our online contact us form <https://www.sandwell.gov.uk/contactusbusinessrates> 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 2024/25

Should the government introduce further Business Rates Reliefs during 2024/25 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

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 our online contact us form at <https://www.sandwell.gov.uk/contactusbusinessrates> 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.