

Criteria Notes for Mandatory Rate Relief for properties in Rural settlements

Under Section 43 of the LGFA 1988, amended by Schedule 1 of the Local Government and Rating Act 1997, the Non Domestic Rating (Public Houses and Petrol Filling Stations) (England) Order 2001 and the Rating (Former Agricultural Premises and Rural Shops) Act 2001; where a non domestic property is within a settlement identified within the Council's rural settlement list, that organisation is entitled to **50% mandatory relief**. However, in order to qualify for such a relief, the following criteria must be met:

1. The property is the only Post Office, General Store, Public House or Petrol Filling Station, situated within a rural settlement; or
2. The property is a food shop (there is no requirement for them to be the only such business within a settlement)
3. The population of the rural settlement is below 3,000 as at 31st December before the beginning of the chargeable financial year in question; and
4. The rateable value of the premises at 1 April is within the thresholds set by the Department for Communities and Local Government and which apply for the year to which the application relates. The values in force currently, as confirmed in the Non Domestic Rating (Rural Settlements)(England)(Amendment) Order 2004, came into force from 1 April 2005 and are as follows:

| | |
|------------------------|---------|
| General Store | £7,000 |
| Food Shop | £7,000 |
| Post Office | £7,000 |
| Public House | £10,500 |
| Petrol Filling Station | £10,500 |

Please note that effective from 1 April 2010, the rateable value thresholds have been amended by the Non-Domestic Rating (Rural Settlements)(England)(Amendment) Order 2009.

| | |
|------------------------|---------|
| General Store | £8,500 |
| Food Shop | £8,500 |
| Post Office | £8,500 |
| Public House | £12,500 |
| Petrol Filling Station | £12,500 |

Where the rateable value exceeds those listed above, no further consideration will be given to mandatory relief. However, the Council may consider discretionary relief and this is explained further in the guidance.

Criteria Notes for Discretionary Rate Relief for Properties in Rural Settlements qualifying for Mandatory Relief

Although qualifying organisations within a rural settlement are eligible for 50% mandatory relief, this relief can be topped up by up to **50% discretionary relief** under Section 47 of the LGFA 1988, thereby awarding 100% relief.

The Council will consider the service that the organisation provides to the community and whether the business meets with the Council's Vision. In addition to this, the Council will also consider the following:

- The percentage of the local community that use the facilities
- The percentage of the local community employed by the organisation
- Any additional services the organisation provides to the local community
- The organisations financial position
- The extent to which the organisations supports other local businesses

Generally, sole post offices and general stores will be awarded the additional 50% discretionary relief, as they provide a valuable service and are a focal point for the community. However, when considering food stores, the Council will consider the number of similar businesses within the settlement when determining any discretionary relief that is awarded.

Criteria Notes for Discretionary Relief for Properties in Rural Settlements which do not qualify for Mandatory Relief

Under Section 47 of the LGFA 1988, the Council has the discretion to award relief of up to 100% to certain organisations with a rateable value not exceeding £14,000 or £16,500 from 1 April 2010, that are also within a designated rural settlement area. **Where an organisations rateable value exceeds £14,000 or £16,500 from 1 April 2010, no further consideration will be given to discretionary relief.**

In order for the Council to be able to consider discretionary relief, it must;

- be satisfied that the organisation is used for purposes which are of benefit to the local community and that this can be demonstrated; and
- have regard to the interests of its Council Tax payers

Other Criteria

The following will be considered when determining the level of relief that is awarded:

- Would the organisation qualify for mandatory relief but, due to its rateable value this cannot be granted?
- The percentage of the local community that use the facilities
- The percentage of the local community employed by the organisation
- Any additional services the organisation provides to the local community
- The organisations financial position
- The extent to which the organisation supports other local businesses
- Whether the organisation attracts custom into the settlement area
- Does the organisation meet the Council's Vision

Although an organisation may meet all of the conditions for entitlement, the Council cannot guarantee that 100% relief will be awarded, as it has to continually consider the impact each award has on the budget. The Council wants to support all businesses that meet the criteria and for this reason, may need to reduce any award.