

ANNEX A: AUTUMN STATEMENT 2016: 100 % Rural Rate Relief Available to Eligible Business Ratepayers

Fact sheet

About this fact sheet

1. This fact sheet is intended to support local authorities in administering the relief for rural businesses announced in the Autumn Statement on 23 November 2016. This relief applies to England only. Enquiries on this relief should be addressed to ndr@communities.gsi.gov.uk

Introduction

2. 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.
3. 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 requirement to grant mandatory relief comes into force we expect local authorities to use their local discount powers to grant 100% rural rate relief to eligible ratepayers from 1 April 2017.

The rural rate relief scheme – background

4. The rural rate relief scheme was introduced to help protect the last retail outlets and similar services in rural settlements with a population of less than 3,000.
5. 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
6. Local authorities have a discretionary power to top up the mandatory relief to 100 per cent.

Who is eligible for 100% rural rate relief?

7. Anyone who is entitled to the mandatory Rural Rate Relief as above will be eligible for the increased level of discount off their rates bill.

When does this happen?

8. The revised reliefs will apply from 1 April 2017.

How will the relief be provided?

9. For 2017-18, local authorities will be expected to use their discretionary relief powers (under section 47(3) of the Local Government Finance Act 1988 to grant the revised rural rate relief in line with the eligibility criteria set out in this document.
10. Central Government will reimburse local government for the actual cost to them under the rates retention scheme of granting the additional relief.
11. Local authorities will be able to provide an estimate of their likely total cost for providing the relief in their National Non Domestic Rate Return 1 (NNDR1) for 2017. A reconciliation exercise will be conducted based on NNDR 3 returns in the usual way.
12. The relief will be subject to state aid de minimis levels in the normal way.