Elmbridge Borough Council
Relief for Local Newspapers

About the Scheme

The Government committed to support local newspapers as they adapt to new technology and changing circumstances. The Government have introduced 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. In a Written Ministerial Statement on 27 January 2020, the Financial Secretary to the Treasury announced the scheme will apply until 31 March 2025.

This is a temporary measure to support local newspapers adapt to technological changes within the industry. The relief is intended to be specifically for local newspapers and will be delivered through local authority discretionary discount powers (under section 47(3) of the Local Government Finance Act. The relief will be limited by state aid rules.

Introduction

As this is a temporary relief, the Government is not changing the legislation around the reliefs available to properties. Instead the Government will reimburse local authorities that use their discretionary relief powers (under section 47(3) of the Local Government Finance Act 1988 to grant relief in line with the eligibility criteria set out below.

Central Government will reimburse billing authorities for the actual cost to them under the rates retention scheme of granting relief that falls within the definitions below. Relief will be provided up to state aid de minimis levels for each business entity.

Eligibility criteria

The relief will provide:

A £1,500 relief for office space occupied by local newspapers up to a maximum of one discount per local newspaper title and per hereditament, per year, for five years from 1 April 2020.

The relief is to be specifically for local newspapers and by that we mean what would be considered to be a “traditional local newspaper.” The relief will not be available to magazines.
The hereditament must be occupied by a local newspaper and wholly or mainly used as office premises for journalists and reporters.

**Amount of Relief**

The amount of relief is limited to a maximum of one discount:

- per newspaper title (e.g. per newspaper name)
- per hereditament

**Examples:**

The below shows a couple of worked examples of how the relief will work.

- A local newspaper with two offices would be able to claim a discount for only one of them
- An office shared by three separate local newspaper titles would only be eligible for a single discount

The total amount of relief available for each newspaper title and hereditament under this scheme is £1,500 per year. The amount does not vary with rateable value. The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis. The following formula is used to determine the amount of relief to be granted for a particular hereditament:

Amount of relief to be granted = £1500 x A/B

Where:
A is the number of days in the financial year that the hereditament is eligible for relief; and
B is the number of days in the financial year.

The award will apply for the year it is granted in only. Each award in each year will be a separate award for that bill year only and cease at the end of that bill year.

**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. However, our relief for local newspaper scheme will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013).

The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).

The council requires ratepayers to declare within 28 days if they have received an award which exceeds the state aid limit and where a ratepayer is required to complete an application, to make a declaration that any such award would not exceed the limit.

Whilst the UK left the EU on 31 January 2020, the Withdrawal Agreement negotiated by the Government and the EU provides that during an implementation period State aid rules will continue to apply and will be subject to control by the EU Commission as at present. The
council will therefore continue to apply State Aid rules, including De Minimis, to this relief in 2020/21.

Delegated Authority to Award Relief

Delegated to Head of Finance or any officer delegated by the Head of Finance, with appeals to Section 151 Officer, Strategic Director and Deputy Chief Executive.

Application Process

A written application should be made confirming a hereditament is wholly or mainly used as office space by a Local Newspaper and meets the eligibility criteria as set out above. The ratepayer must also confirm any discount awarded would not exceed State Aid limits. Applications will be accepted only whilst the Government is committed to funding 100% of any relief granted.

Appeals Process

There is no statutory right of appeal against a decision regarding discretionary rate relief unless the decision is so unreasonable that no reasonable person could have reached it (‘Wednesbury Rules’).

However, the Council recognises that ratepayers should be entitled to have a discretionary decision reviewed if dissatisfied with the outcome. Only the ratepayer or authorised agent may appeal against the decision not to award relief or the level of relief awarded. Appeals must be made within four weeks of the notification of decision.

Appeals must be in writing specifying reasons why a decision should be amended and supported by relevant new or additional evidence.

An appeal will be deemed to be discontinued if further evidence requested from the ratepayer has not been received within two weeks of the request.

Appeals against decisions made under delegated authority by the Head of Finance will be considered by the Section 151 Officer, Strategic Director and Deputy Chief Executive.