



**Elmbridge**  
Borough Council

*... bridging the communities ...*

# Elmbridge Borough Council Nursery Discount Scheme

## About the Scheme

This document sets out the criteria used to determine properties eligible for the 'Nursery Discount Scheme' in Elmbridge.

## Introduction

As an extraordinary response to the coronavirus, the Government announced a business rates Nursery Discount on 18 March 2020. At the Budget on 3 March 2021 the Chancellor extended the original Nursery Discount scheme conditions to apply for the first three months of 2021/22. This scheme originally for 2020/21 only is therefore extended to also apply for the first three months of 2021/22. In the 3 March 2021 Budget the chancellor also announced a 66% Nursery discount scheme to apply from 1 July 2021. A separate local scheme will be introduced to apply from 1 July 2021.

This relief will apply to hereditaments occupied by providers on Ofsted's Early Years Register and wholly or mainly used for the provision of the Early Years Foundation Stage and which are subject to business rates in the year 2020/21 and first three months of 2021/22. There will be no rateable value limit on the relief. Ofsted will ensure that all local authorities can access the Ofsted Early Years Register to help authorities identify eligible properties.

This document provides guidance to authorities about the operation and delivery of the policy.

As this is a measure for 2020/21 and the first three months of 2021/22 only, the Government is not changing the legislation relating to the reliefs available to properties. Instead the Government will, in line with the eligibility criteria set out in this guidance, reimburse local authorities that use their discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended), to grant relief.

Central government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003).

To ensure the discount is awarded in the manner the Government intended and is fully reimbursed to the council Elmbridge's scheme mirrors guidance issued by Government.

# Which properties will benefit from relief?

Properties that will benefit from the relief in 2020/21 and, where the ratepayer has not refused the relief, the first three months of 2021/22, will be hereditaments occupied by providers on Ofsted's Early Years Register and wholly or mainly used for the provision of the Early Years Foundation Stage.

To qualify for the relief the hereditament should be wholly or mainly being used for the above qualifying purpose. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief. For the avoidance of doubt, hereditaments which have closed temporarily due to the government's advice on COVID19 should be treated as occupied for the purposes of this relief.

Elmbridge will look to work with Surrey County councils to assist in identifying eligible properties.

In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, Elmbridge cannot grant the discount to ourselves, a precepting authority (e.g. Surrey County Council), or a functional body, within the meaning of the Greater London Authority Act 1999.

## Refusing the relief from 1 April 2021

For the three month period from 1 April 2021 the ratepayer may notify us of their refusal of the discount for each eligible property at any time up to 30 April 2022.

Once refused, the ratepayer cannot withdraw their refusal for either all or part of the discount period.

For the purposes of section 47 of the Local Government Finance Act 1988, where the ratepayer has refused the relief on a property then that property is outside of the scheme and outside of the scope of the decision of which properties qualify for the discount and are therefore ineligible for the relief.

## How much relief will be available?

The total amount of government-funded relief available for each property for 2020/21 and the first three months of 2021/22 under this scheme is 100% of the bill, after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, excluding those where local authorities have used their wider discretionary relief powers introduced by the Localism Act which are not funded by section 31 grants.

The eligibility for the discount and the discount itself will be assessed and calculated on a daily basis. The following formula should be used to determine the amount of relief to be granted for a chargeable day for a particular hereditament in the financial year 2020/21 and first three months of 2021/22:

Amount of relief to be granted =  $V$ , where

$V$  is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any other discretionary reliefs, and those where local authorities have used their discretionary relief powers introduced by the Localism Act which are not funded by section 31 grants.

This should be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.

All awards are for a fixed period and will apply in 2020/21 and first three months of 2021/22 only.

Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties.

## Splits, mergers, and changes to existing hereditaments

The discount should be applied on a day to day basis using the formula set out above. A new hereditament created as a result of a split or merger during the financial year, or where there is a change of use, should be considered afresh for the discount on that day.

## State Aid/UK Subsidy

The Government have confirmed that subsidy limits based on EU State Aid do not apply to the discounts awarded under this scheme.

## 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

The council will look to work with Surrey County Council and the Ofsted Early Years Register to identify properties that may qualify for the discount due to usage within this scheme.

Where the property appears to be occupied for an eligible use the council may apply the discount automatically and instruct the ratepayer to inform us should they not be entitled (for example, incorrectly identified usage).

Where we have not determined entitlement an application can be submitted by the ratepayer, or an agent authorised to act on their behalf.

Section 47 of the Local Government Finance Act 1988 states any decision to award must be made before six months after the end of the financial year in which the award days falls. Therefore, no new decision to award relief to a year will be made after the 30 September of the following year.

# 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 four 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.