

Annex A

Business Rates Relief for Local Newspapers –

Guidance

About this guidance

1. This guidance is intended to support local authorities in administering the relief for local newspapers announced in the Budget on 16 March 2016. This Guidance applies to England only.
2. This guidance sets out the detailed criteria to be used to determine business rates relief for local newspapers.
3. Local authorities may use their discretionary powers (under section 47(3) of the Local Government Finance Act 1988 to grant relief in line with the eligibility criteria set out in this guidance.
4. The Guidance does not replace existing legislation on any other discretionary relief.
5. Enquiries on this relief should be addressed to ndr@communities.gsi.gov.uk Introduction
6. In the manifesto the Government committed to support local newspapers as they adapt to new technology and changing circumstances. As part of this, we consulted in July 2015 on the introduction of a business rates relief for local newspapers in England. This was in order to understand better the challenges currently faced by local newspapers occupying property in their local areas and whether a relief on their business rates bills could help support them.
7. On 16 March 2016 the Chancellor announced at the Budget that the Government will introduce 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, for 2 years from 1 April 2017.
8. 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.
9. This document provides guidance to authorities about the operation and delivery of the relief policy.

The Relief

How will the relief be provided?

10. As this is a temporary relief for 2017-18 and 2018-19, 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 in this guidance.

11. 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 in this guidance.

12. 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 2017-18 and 2018-19. A reconciliation exercise will be conducted based on NNDR 3 returns in the usual way.

13. It would be open to authorities to provide additional relief if they so wish but central Government will only fully reimburse local authorities for any relief they grant in accordance with this guidance. Relief will be provided up to state aid de minimis levels for each business entity.

Eligibility criteria

14. 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, for two years from 1 April 2017.

Local Newspapers

15. 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.

Office Space

16. The hereditament must be occupied by a local newspaper and wholly or mainly used as office premises for journalists and reporters.

Amount of Relief

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

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

AND

- per hereditament

Examples

18. 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

19. The total amount of government-funded relief available for each newspaper title and hereditament for 2017-18 and 2018-19 under this scheme is £1,500. 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 should be 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.

20. Councils may use their discretionary powers in section 47(3) of the Local Government Finance Act 1988 to offer further discounts outside this scheme (and under the rates retention scheme, 50 % of the cost would be locally funded and 50 % funded by central Government).

State Aid

21. The relief available is up to state aid de minimis levels for each business entity.



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