

**Option 1**

**Resolution: Terms and Conditions of the Caerphilly County Borough Council  
Business Rates 'Local Needs Scheme' 2014-15**

1. This document sets out the detailed criteria which the Authority will use to determine the award of rate relief under its 'Local Needs Scheme'. The document does not replace existing legislation on the eligible properties or any other relief.
2. The relief is being offered in respect of the rate liability period from 1 April 2014 to 31 March 2015. No decision has been made by the Welsh Government (WG) as to whether the relief will be made available for subsequent years.
3. This relief aims to support businesses within the County Borough that fall within the Authority's Economic Development priorities which currently are Small to Medium sized Enterprises involved in manufacturing and service to manufacturing.
4. The Authority will utilise a WG grant of £174k to enable a flat rate of relief to be awarded on the business rates bill for the financial year 2014-15 for all those properties shown in the Authority's rating records to be involved in manufacturing or services to manufacturing with a rateable value £50,000 or less as at the date that application forms are issued, subject to State Aid limits; such relief to be **limited to properties situated within certain areas**.
5. The amount of rate relief awarded will be calculated once the deadline for returning application forms has passed and the total number of qualifying cases is determined.
6. The amount does not vary with rateable value and there is no taper. There is no relief available under this scheme for properties with a rateable value of more than £50,000.
7. Most businesses already receiving other rate relief will not qualify for relief under the 'Local Needs Scheme'. However, as the 'Wales Retail Relief Scheme' offers relief of up to £1,000, this scheme will allow those ratepayers receiving less than £1,000 Small Business Rate Relief to apply for 'Local Needs Scheme' relief.
8. The relief itself will be assessed and calculated on a one-off basis as at a specific determination date to be finalised once the deadline for returning application forms has passed. The award will be based on the circumstances that exist at that time. Retrospective adjustments and applications will not be considered due to the limited funding available.
9. Where the net rate liability is less than the maximum possible award of 'Local Needs Scheme' relief, the amount of 'Local Needs Scheme' relief will be no more than the value of the net rate liability.
10. Ratepayers that occupy more than one property will be entitled to this relief for each of their eligible properties, subject to State Aid de minimis limits.

11. To be eligible for this rate relief, application forms must be completed and received by the Business Rate Team no later than the date specified in the covering letter.
12. As this is a temporary measure, WG is providing the relief by reimbursing local authorities that use their discretionary relief powers (under section 47 of the Local Government Finance Act 1988). It will be for individual local billing authorities to decide to grant relief under section 47 but WG will reimburse local authorities for the relief that is provided in line with the relevant grant offer letter (using a grant under the Local Government Act 2003).
13. Due to the State Aid requirements, the Scheme will be application based.
14. The Authority's Business Rate Team will write to each eligible ratepayer inviting them to apply for this rate relief by a specified date and enclosing an application form.
15. As the grant of the relief is discretionary, the Authority may choose not to grant the relief if they consider that appropriate.
16. State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary rate relief to ratepayers is likely to amount to State Aid. However 'Local Needs Scheme' rate relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulation (1407/2013).
17. The De Minimis Regulation allows 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).