

**GUIDELINES FOR DETERMINING APPLICATIONS FOR DISCRETIONARY RATE RELIEF UNDER THE VILLAGE SHOP RATE RELIEF SCHEME**

1. All decisions must be made having regard to the interests of the Council Taxpayers of South Lakeland. (This does not mean the decision must be in the interest of the Council Taxpayers, but regard must be had to their interests).
2. Applications cannot be considered under this scheme unless the rateable value of the property concerned is less than the statutory threshold of £16,500 (was £14,000).
3. The rural business must be used for purposes which are of benefit to the local community taking into account the following considerations:
  - a) Is the business, potentially, used regularly by all or most of the residents in the rural settlement?
  - b) Does the business provide benefit to the more needy or vulnerable members of the rural settlement?
  - c) Does the business provide an invaluable service to local people who do not have cars or ready access to local transport?
  - d) Is the business the only one of its type in the rural settlement?
  - e) Does the business encourage community spirit?
  - f) Would the closure of the business have a serious detrimental effect upon the fabric of the rural settlement?
  - g) Is the business run by a sole trader or is it an outlet for a larger company?
4. The business should be the only one of its type in the community and should normally be that of a general store nature and/or a post office.
5. Where a rural business is not of a general store nature or a Post Office, but does meet the majority of criteria detailed in Paragraph 3, a test of profitability should be undertaken. The test of profitability will involve a comparison of the net profit of the business as detailed in the profit and loss account for the year, adjusted for inappropriate items, to the rateable value(s) of the premises as shown in the local rating list adjusted for inflation by reference to the increases in rating multipliers.

Where the rateable value, adjusted for inflation, exceeds the net profit for the year of the business, then 80% relief should be awarded in accordance with Paragraph 6.

Where the net profit exceeds the rateable value, adjusted for inflation, then relief will be reduced by 10% for every £2,500 excess or part therefore.
6. The maximum amount of relief allowed (including 50% mandatory relief where applicable) will not normally exceed 80% of the net rate liability.
7. For cases falling within the statutory scheme any additional discretionary award will be for an indefinite period but in all other cases the award will be for a period of 12 months or a shorter period if the Cabinet determines this appropriate.
8. Applicants are to be advised of the decision within 14 days together with their rights of appeal to the Chief Executive or a Director should they disagree with the decision.