

## Corporate Board

10 July 2018

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### Business Rate Discretionary Reliefs

Report of the Corporate Director (Resources)

**Key Decision = Y**

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#### 1.0 Purpose of Report

- 1.1 To formally adopt an overarching policy for Business Rate Discretionary Reliefs. The draft policy is at **Appendix 1** to this report.

#### 2.0 Decisions Sought

- 2.1 Members to consider the draft policy at **Appendix 1** and agree to adopt this policy that encompasses all elements of Discretionary Rate Relief available to Business Ratepayers.

#### 3.0 Link to Corporate Priorities

- 3.1 This policy links to the Enabling growth, Communities and Fit for Purpose Corporate priorities.

#### 4.0 Introduction & Background

- 4.1 Local Authorities can award mandatory and or discretionary rate relief to ratepayers that meet certain criteria. The rules regarding the award of mandatory rate relief are laid down by Central Government and local authorities have no discretion over this award. This report covers the award of discretionary rate relief.
- 4.2 Local Authorities have the power to grant discretionary rate relief to organisations that meet certain criteria. The amount of relief granted is used to reduce the amount the organisation owes in Business Rates.
- 4.3 The legislation governing the granting of discretionary rate relief is found in Section 47 of the Local Government Finance Act 1988 and subsequent amending legislation and Section 69 of the Localism Act 2011.
- 4.4 The Council currently has a number of individual policies relating to the various types of discretionary rate relief and these have been brought together and included in the proposed over-arching policy. There are no specific recommended changes to the individual policies already being applied.
- 4.5 The purpose of this policy is to specify how the Council operates its discretionary powers under the Local Government Finance Act 1988 and to indicate the factors it will consider before deciding whether relief can be awarded and to have one clear transparent policy.

4.6 Members have agreed that the Revenue, Benefits & Customer Services Manager has delegated authority to make decisions on applications for discretionary rate relief. The Ratepayer then has a right of Appeal to the Council's Appeals Committee – except for hardship relief applications when the Appeals Committee will reach a decision on any application and there is no further right of appeal in respect of this type of application.

## 5.0 Recommendations

5.1 Members are asked to recommend to Council adopting the policy at **Appendix 1**.

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## 6.0 Corporate Implications

6.1 Financial Implications

None

6.2 Equalities Implications

All applications to be considered within the framework previously laid down.

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## 7.0 Further Information

7.1 Background Papers – No

- Appendix 1 – Policy
- Appendix 2 – Rating Relief – Reference Guide

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**Richmondshire District Council**

**National Non Domestic Rates (NNDR)**

**Discretionary Rate Relief Policy**

## 1. Background

Local Authorities have the power to grant Discretionary Rate Relief to organisations that meet certain criteria. The amount of relief granted is used to reduce the amount the organisation owes in Non-Domestic Rates.

## 2. Legislation

The law governing the granting of Discretionary Rate Relief is found in Section 47 of the Local Government Finance Act 1988 and subsequent amending legislation and Section 69 of the Localism Act 2011.

As these reliefs are subject to the discretion of the Local Authority they are subject to the legislation regarding State Aid.

## 3. Purpose of the Policy

The purpose of this policy is to specify how the Council will operate its discretionary powers under the Local Government Finance Act 1988 and to indicate the factors it will consider when deciding if relief can be awarded.

Through this policy, the Council is providing a mechanism to reduce, or remove the business rate liability from such charities, non - profit making organisations, certain rural businesses and other businesses that are providing valuable facilities and services to communities within the Richmondshire District.

The policy is intended to provide a simple transparent process that aligns awards of discretionary rate relief with the council's corporate priorities.

## 4. Types of Relief Awarded

The Council will consider awarding Discretionary Rate Relief to all organisations that meet the qualifying criteria as specified in this policy. The amount of any award is at the discretion of the Council.

Discretionary Rate Relief will be awarded after taking in to consideration all other reliefs an organisation may qualify for.

It will consider each individual application against set criteria. This process ensures that all applications are considered on a fair and transparent basis.

In the first instance the Council will take into account whether the ratepayer is entitled to any form of mandatory relief, if so they may be considered for a further top up to a max of a 20%.

Secondly, ratepayers that meet the qualifying criteria for Small Business Rates Relief will be considered for this type of relief.

**Note: A business entitled to receive Mandatory Rate Relief cannot receive Small Business Rate Relief**

## 4.1 Charitable Bodies

Mandatory relief is given to institutions, organisations or trusts established for charitable purposes in respect of property used wholly or mainly for charitable purposes. Mandatory relief is 80% of the rates chargeable.

Charitable bodies can be awarded 20% discretionary relief 'top up', but only where there is significant evidence that the charitable activities provide a significant benefit to local residents.

**Appendix 1: Explanatory Notes - Mandatory and Discretionary Rate Relief for Charitable Bodies** outlines the conditions that apply.

## 4.2 Non-Profit Making Organisations

Non-profit making bodies (ineligible for mandatory relief) can be awarded up to 100% discretionary relief.

**Appendix 2: Explanatory Notes - Rate Relief for Non Profit Making Organisations** outlines the conditions that apply.

## 4.3 Community Amateur Sports Clubs (CASC)

Both mandatory and discretionary relief are available to registered Community Amateur Sports Clubs (CASC). They can receive 80% mandatory rate relief and up to 20% discretionary relief. Thus, up to 100% relief may be achieved.

**Appendix 1: Explanatory Notes - Rate Relief for Non Profit Making Organisations and Community Amateur Sports Clubs (CASC)** outlines the conditions that apply

## 4.4 Rural Rate Relief

Both mandatory and discretionary relief are available for businesses in rural areas. They can receive 50% mandatory rural relief and up to 50% discretionary rural relief. Thus, up to 100% relief may be achieved.

**Appendix 3: Explanatory Notes - Rural Rate Relief** outlines the conditions that apply.

## 4.5 Localism Relief

Section 69 of the Localism Act 2011 amends the Local Government Finance Act 1988 to allow local authorities the discretion to award rate relief to all types of businesses.

The Council has the discretion to award relief where it is in the Council Tax payer's interests to do so.

Ratepayers submitting an application shall set out, as part of the application; the benefits that the ratepayer considers will accrue to the District Council Taxpayers as a result of the award.

Relief will be considered on the individual merits of each case.

**Currently no Policy exists for this type of relief.**

## **4.6 Hardship Relief**

Where the business is suffering hardship that has been caused through exceptional circumstances the Council can grant discretionary relief. When considering an application the Council will require some form of financial statement. Audited accounts are preferred, but if these aren't available, other documents such as bank statements or cash books etc may be accepted. In the case of an individual, the Council may also require a statement of means.

Each application shall be determined upon its own merits.

To back up an application the Council will also need to know what exceptional circumstances have led to a particular situation and why, in the applicant's view, the Council should reduce their liability.

**Appendix 5: National Non-Domestic Rates - Hardship Relief** provides further information.

## **4.7 S44a Part-Occupation**

A ratepayer is liable for the full National Non-Domestic Rate charge whether the property is fully or only partly used.

Where the premises are both occupied and unoccupied the ratepayer has two options:

1. If it is likely to be a long period of time they may apply to the Valuation Office Agency (VOA) for the hereditament (property) to be split, or
2. If it is likely to be for a short time only they may apply to the Council for relief under S44a Local Government Finance Act 1988

It is then at the Council's discretion whether or not it makes an application to the VOA to issue a certificate temporarily dividing the RV between the occupied and unoccupied parts.

Section 44(a) can only be awarded for a maximum of 3 months, or 6 months in the case of industrial properties.

Examples where Billing Authority may exercise its discretion under S44a:

- Where there are problems in occupying a property
- To assist with phased occupations or vacations
- To avoid raising proposals

Once a certificate is requested from VOA the Council must give effect to the apportionment. The Council's discretion ends once a certificate has been applied for.

As S44a reliefs are subject to the discretion of the Local Authority they are subject to the legislation regarding State Aid.

**Appendix 4 National Non-Domestic Rates – Section 44a Relief** provides further information.

### **4.8 2017 - Revaluation Relief**

In March 2017, Central Government announced it would make available a discretionary fund of £300 million over 4 years from 2017-18 to support those businesses that face the steepest increases in their business rates bills as a result of the 2017 revaluation. Government determined that Councils would be best placed to determine how this fund should be targeted and administered to support those businesses in the area that are in greatest need.

Every authority in England is to be provided with a share of the £300 million fund to support their local businesses. This fund is to be administered through billing authorities' discretionary relief powers under Section 47 of the Local Government Act 1988.

The funding is not provided equally over the 4 year period but as follows: 2017/18 = 58%, 2018/19 = 28%, 2019/20 = 12% and 2020/21 = 2%

Councils are to be compensated for any relief granted under Section 31 of the Local Government Act 2003. Relief cannot be 'vired' from one year to another.

A key criteria is that billing authorities consult on their scheme with major precepting authorities. On approval the Council consulted with North Yorkshire County Council, North Yorkshire Police & Crime Commissioner and North Yorkshire Fire & Rescue Service

The amount of funding is as follows: 2017/18 = £220,000, 2018/19 = £107,000, 2019/20 = £44,000 and 2020/21 = £6,000.

**Appendix 6 National Non-Domestic Rates – 2017 Revaluation Relief** provides further information.

## 5. Claiming Discretionary Rate Relief

### 5.1 State Aid and Reliefs

European Union competition rules generally prohibit Government subsidies to businesses.

Relief from taxes, including non-domestic rates, can constitute state aid. The Council need to bear this in mind when granting discretionary rate reliefs.

Any form of discretionary relief can constitute state aid, and this needs to be taken into account with any other state aid that the organisation is receiving.

Rate relief shall not be awarded in any circumstances where it appears that an award will result in the ratepayer receiving state aid that is above the current de minimus level of €200,000 aid in a three year period (consisting of the current financial year and the two previous financial years). For a road transport concern the limit is €100,000.

Any assistance received or due to receive from a public body may be a contribution towards the euro limit, although de minimus in itself.. This could be any aid, grant or support from central, regional, devolved governments or agencies or a local council. When looking at a business that is part of a larger chain or group it is the chain or group as a whole that the declaration needs to be made for, not just that part of the business directly operating the premises in question.

### 5.2 Claim Forms

A claim must be made on an application form issued by the Council.

The Council will issue application forms on request or in circumstances where we consider an organisation may be entitled to relief.

The form must be completed by the ratepayer or a person authorised to sign on behalf of the ratepayer.

A person authorised to sign on behalf of the ratepayer is:

- a partnership - a partner of the partnership;
- a trust - a trustee of that trust;
- a body corporate – a director of that body, and in any other case a person duly authorised to sign on behalf of the ratepayer.

## 5.3 Information required

The information required will depend upon the type of relief being applied for. Where an organisation is required to provide information, this should be submitted with the application. No applications will be considered without the appropriate supporting information. Evidence required may include:

- The rules of the organisation or its Memorandum and Articles of Association.
- The last two years' audited accounts (If the organisation is a new organisation and audited accounts are not available, the organisation should provide a statement on their finances, showing the income and expenditure)

The Council may, in some cases, verify the information given by the organisation applying by contacting third parties and other organisations.

The Council may request any reasonable evidence in support of the application.

All information supplied will be dealt with in the strictest confidence.

## 5.4 Period of award

All awards will be made for a set period only.

The Council will decide the period that Discretionary Rate Relief will be awarded for, dependent on the circumstances of the application.

Generally the award is for a 12 month period to cover the relevant financial year and there is no requirement for an applicant to re-apply each year. The Council will however extend the relief period as it seems sensible to do. The Council will however carry-out reviews of Discretionary Rate Relief that has been awarded and this may require all applicants to submit a new application. Any applicants failing to submit will lose their entitlement to the relief from the commencement of the financial year in which the review is taking place.

Applications for relief in respect of a new liability may be submitted from the date the liability commences. Where relief is awarded, it will commence from the first date of occupation or where a particular situation arises, with a max possible back date of no more than 18 months.

Each amount of rate relief awarded under rate relief policy shall only apply for the relevant financial year.

An award of Discretionary Rate Relief at any time does not guarantee that a further award will be made at a later date even if the circumstances of the organisation have not changed.

## 5.5 Changes in Liability

The Council may review the award in line with any increase or decrease in liability.

## 6. Payment of Awards

All relief awarded will be paid to help with the Non Domestic Rate liability. The Council will credit the relief direct to the organisation's Non Domestic Rate account and adjust the instalments accordingly.

## 7. Notifications

The Council will inform the organisation applying in writing of the outcome of their application for Discretionary Rate Relief.

Where the application is not successful, the notification will provide full reasons why The Council has decided not to award Discretionary Rate Relief and details of the applicant's right of appeal.

Where the application is successful, the notification will include the following information:-

- The period of the award
- The percentage of the rate liability awarded for that period.
- The amount of Rate Relief to be awarded for the period.
- An amended Non Domestic Rate Demand.

## 8. Overpayments

The Council will recover all overpayments of Discretionary Rate Relief through the organisation's Non Domestic Rate account.

## 9. Right of Appeal

A ratepayer has a right of appeal to the Council's Appeals Committee\* should they think the decision made by the Council's Revenue, Benefits & Customer Services Manager is incorrect.

The Appeals Committee (at their discretion) may allow the applicant (or someone acting on behalf of the applicant) to appear at the Committee Hearing to present their case.

The Appeals Committee will *normally* make a decision at the Hearing and the applicant will always be informed of their decision in writing.

*\*This does not apply to applications for Hardship Relief as these are decided by the Council's Appeals Committee and there is no further right of appeal.*

## 10. Fraud

The Council is committed to the fight against fraud in all its forms.

An organisation who tries to fraudulently apply for Discretionary Rate Relief by falsely declaring their circumstances or providing a false statement or evidence in support of their application, may have committed an offence under the Theft Act 1968. Where we suspect that such an offence may have occurred, the matter will be investigated through the Council's internal auditors. This may lead to criminal proceedings being instigated.

## 11. Publicity

The Council will include information about Discretionary Rate Relief within the Business Rate section of the Council's website. Further information can be obtained from:

A member of the Local Taxation Section on (01748) 829100 or by email on [local.taxation@richmondshire.gov.uk](mailto:local.taxation@richmondshire.gov.uk).

## Explanatory Notes

### Mandatory and Discretionary Rate Relief for Charitable Bodies and Community Amateur Sports Clubs (CASC)

Mandatory and Discretionary Rate Relief may be granted under **Sections 43, 45, 47 and 48 of the Local Government Finance Act 1988.**

#### Mandatory Rate Relief

##### Occupied Rates

Mandatory Relief of 80% may be granted to a **Charity** under **Section 43 (occupied rates)**, provided that the property concerned is wholly or mainly used for charitable purposes.

##### Unoccupied Rates

If the property is unoccupied such relief may also be granted to a **Charity** under **Section 45 (unoccupied rates)** if it appears that when **next in use** the property will be wholly or mainly used for charitable purposes.

##### Definition of a Charity

Firstly we have to establish if the organisation is a **Charity**. The definition of a **Charity** comes under **Section 67 of the Local Government Finance Act 1988** as *“an institution or other organisation established for charitable purposes only, or a person administering a trust established for charitable purposes only”*. Registration with the Charity Commission under the **Charities Act 1960** is proof of Charity status.

Absence from the Register does not mean that an organisation has not been established for charitable purposes, as certain organisations are exempt from registration. These include Church Commissioners, Boy Scouts or Girl Guides, any registered society within the meaning of the **Friendly Societies Acts 1896-1974** and voluntary schools within the meaning of **the Education Act 1944 – 1980**.

##### Established for Charitable Purposes

If none of the above are applicable, and in the absence of any other information, the following will be considered:

Are the main objectives of the organisation?

- the relief of poverty; or
- the advancement of religion; or
- the advancement of education; or
- other purposes that is beneficial to the local community

##### Wholly or Mainly Used for Charitable Purposes

Secondly we have to consider if the property concerned is used wholly or mainly for charitable purposes. The use must be charitable, i.e. in meeting the objectives of the Charity. “Wholly or mainly “covers either: use of over half the property all of the time; use of the property for over half of the time; or a combination of both amounting to more than 50%.

Relief can only be granted, therefore, if **either** more than 50% of the property is used for charitable purposes **or** the property is used for more than 50% of the time for charitable purposes **or** there is a combination of both amounting to more than 50%.

## Charity Shops

In addition **Section 64 of the Local Government Finance Act 1988** provides that **Charity Shops** are only entitled to 80% Mandatory Relief if they use the premises:

- Wholly or mainly for the sale of goods **DONATED** to the Charity; and
- The net proceeds of the sale of goods are applied to the purpose of the Charity.

## **Community Amateur Sports Clubs (CASCs)**

### **Mandatory Relief for CASCs**

Registered CASCs can receive 80% mandatory rate relief. To qualify as a CASC, a sports club must be open to the whole community, be run as an amateur club, be a non-profit making organisation and aim to provide facilities for, and encourage people to take part in, eligible sport. For further details please see <http://www.inlandrevenue.gov.uk/casc/index.htm> or call the Inland Revenue Sports Club Unit on 0131 777 4147.

### **Discretionary Rate Relief Top Up**

Discretionary Rate Relief may be granted in addition to Mandatory Rate Relief, i.e. a “top up” of up to the remaining 20%. This may be granted under **Section 47** for occupied properties and **Section 48** for unoccupied properties. Any organisation wishing to apply for this relief has to provide details of the main objectives of the organisation and any other purposes for which the property is used.

### **Charitable Bodies**

A 20% ‘top up’ of discretionary relief may be applied to charities but will normally only be awarded if the charity is a local one, not a national one (a local charity is defined to be one who operates in the particular Council area or whose charitable objects benefit residents of the district or who are part of a national charity but whose charitable objects benefit the district to a greater extent than other parts of the country). If the premises are operated by a national charity that does not exist to wholly or mainly benefit the residents of the local area, then discretionary relief will not normally be awarded to ‘top up’ the 80% mandatory award.

Discretionary 'top up' relief is not available for Academy status schools.

## Explanatory Notes

### Rate Relief for Non Profit Making Organisations

Discretionary Rate Relief may be granted under **Sections 43, 45, 47 and 48 of the Local Government Finance Act 1988.**

#### Discretionary Relief for other Non Profit Making Organisations

##### Occupied Properties

Discretionary Relief of up to 100% may be granted for occupied properties under **Section 47** if the following criteria are met:

a) Where the property is not an **excepted** property (see below) and all or part is occupied by one or more institutions or organisations which are:

- Not established or conducted for profit, and
- Whose aims are charitable or otherwise philanthropic, religious or concerned with the promotion of social welfare, education, science, literature or the fine arts.

**OR**

b) Where the property is not an **excepted** property (see below) and is wholly or mainly used for:

- The purpose of recreation, and
- All or part of the property is occupied for the purpose of a club, society or other organisation not established or conducted for profit.

##### Excepted Properties

An excepted property is one occupied by a Billing or Precepting Authority, e.g. Richmondshire District Council, North Yorkshire County Council, North Yorkshire Police Authority, North Yorkshire Fire & Rescue Authority & Parish Councils.

##### Unoccupied Properties

Discretionary Relief of up to 100% may also be granted for unoccupied properties under **Section 48** if it appears that when **next in use** the property will be used as detailed in a) and b) above.

A Policy Framework is listed below:

## DISCRETIONARY RATE RELIEF: POLICY FRAMEWORK

### TYPE OF ORGANISATION

Relief will only be considered where the organisation is **non-profit making**.

### ORGANISATIONS WITH BAR INCOME

Where the organisation operates a bar, consideration will be given as whether or not the bar is ancillary to the main purpose of the organisation? Relief will only be granted to an organisation where it is determined by the Council that the bar is ancillary to the main purpose of the organisation.

### MEMBERSHIP

Relief will only be considered where an organisation could show its membership is open to all members of the community (except where legitimate restrictions apply) and is at reasonable cost.

### BENEFITS

Relief will only be considered where an organisation shows that a substantial benefit accrues directly to the residents of the District from its aims and objectives.

### Amount of Relief

The amount of relief for each organisation is to be determined by reference to **A – C** below but subject to the maximum defined in **D** below by reference to the category of the organisation and reduced by any relevant amount as mentioned in **E and F** below.

**(A) MEMBERSHIP** (defined as those members who normally reside within the District)

Local Membership Level	% of Relief
Up to 25%	Nil
25% to 49%	20%
50% to 74%	40%
75% and over	60%

**(B) COMMUNITY BENEFITS** (training courses provided regularly)

	% of Relief
For Members only	5%
For Members and affiliated organisations	10%
For anyone to join	15%

## (C) CONCESSIONS

Reduced rate fees/subscriptions for all or any of the following:

Elderly, Disabled, Unemployed and Children.

## (D) CATEGORIES

Organisation/Category	Non-Mandatory	Mandatory
Village Halls	100%	20%
Sports/Leisure	100%	10%
Support Groups	50%	20%
Meeting Rooms	50%	20%
Hostels	100%	20%
Educational	0%	0%
Retail	50%	0%

## (E) BAR INCOME

Subject to a de minimis cost of sale value of £4,000, the amount of relief be reduced by 2.5% of the cost of bar sales as shown in the audited accounts for the twelve month period ending during the financial year immediately prior to the application year.

## (F) LIQUID ASSETS

Subject to a de minimis of £4,000 reserves the amount of relief be reduced by 2.5% of any sum above £4,000 noted as reserves in the audited accounts for the twelve month period ending during the financial year. Prior to the application year reserves earmarked for specific items of capital expenditure such as new buildings are to be ignored for the purposes of calculating relief.

## REVIEW

- The Council will carry-out reviews of Discretionary Rate Relief Applications as and when required.
- It is the responsibility of the Ratepayer to inform the Council Immediately of any changes that might affect the level of relief awarded.
- The Council can only vary or remove the relief so that it takes effect at the expiry of a financial year, and so that at least one year's notice is given.

## Explanatory Notes

### Rural Rate Relief

There are currently two types of relief available for businesses in rural areas. These are **Mandatory Rural Rate Relief** and **Discretionary Rural Rate Relief** and an outline of the conditions that apply are listed below.

#### Mandatory Rural Rate Relief (Granted at 50%)

##### Village Rate Relief

- The property must be located in a **rural settlement** with a population of less than 3,000. A Rural Settlement List for Richmondshire's area is available at the Council Offices in Richmond.
- The property concerned is the **sole** general store or **sole** post office in the settlement and the rateable value does not exceed **£8,500 or**
- The property concerned is the **sole** public house or **sole** petrol filling station in the settlement and the rateable value does not exceed **£12,500 , or**
- The property concerned is **any** food shop in the settlement and the rateable value does not exceed **£8,500**.

A food shop is defined as wholly or mainly selling food on a retail basis for human consumption. The supply of confectionery and of food in the course of catering is **excluded**. Catering is defined as the supply of food for consumption on the premises or of hot food that is eaten off the premises. Therefore such establishments as restaurants, cafes, tea-rooms and fast food shops are **excluded** – but not food shops that sell only small amounts of such items.

A general store is defined as one in which there is carried on a trade or business consisting wholly or mainly of the sale by retail of **both** food for human consumption (excluding confectionery) **and** general household goods.

#### **NB**

Relief can be granted to a post office, which is not a general store, and a separate general store in the same settlement. Where a post office also trades as a general store then a second general store in the settlement will not qualify for this relief.

## Discretionary Rural Rate Relief

This relief may be granted as a “**top up**” to **Mandatory Rural Rate Relief** or in its own right. The amount of any award is at the discretion of the Council and may be any amount up to 100% of the rates due (50% mandatory and 50% discretionary).

The cost of any award of this relief falls in part on the Council Taxpayers of the District as a whole.

The **criteria** that must be met before an award can be considered are as follows:

- The **property** concerned must be located **in a rural settlement** with a population of less than 3,000;
- The **property** concerned has a **rateable value** of not more than **£16,500**
- The property concerned is used for **purposes** which are of **benefit to the local community** and that the cost to the Council Taxpayer is justified.

NDR Policy for awarding Temporary Relief to Business Ratepayers (**S44A**) (partially empty/occupied properties)

## **1.0 Introduction**

- 1.1 The purpose of this policy is to establish a criteria by which applications for Business Rate Relief under s44A of the Local Government Finance Act can be considered.
- 1.2 Whilst the Council is not required by the provisions of the act to have a policy, it is considered important to have a framework for considering applications to ensure consistency and that the Council's power to reduce the amount of Business Rates payable is exercised reasonably and fairly.

## **2.0 Scope**

- 2.1 The policy relates to properties that are charged Business Rates but are partially occupied or partially un-occupied for a short period of time only.
- 2.2 Short Period of time usually means ending on the 31 March (or earlier) of the financial year in which the application relates to.

## **3.0 Key Responsibilities/Applicability**

- 3.1 The policy was agreed on 09 April 2013 by the Council's Strategy Board and by full Council on 23 April 2013. The policy came into affect on 01 April 2013.
- 3.2 The responsibility for implementing the policy lies with the Revenue Benefits & Customer Services Manager but will be administered on a daily basis by the Local Taxation & Recovery Team Leader.
- 3.3 The policy is governed by the following regulations:
  - Local Government Finance Act 1988 – Section 44A

## **4.0 Eligibility - Process/Procedure to Consider Applications**

### **4.1 Eligibility**

Applications will be considered where the premises are encountering:

- Full occupation being phased over a short period of time.
- Full vacation occurring in stages over a short period of time.
- Temporary occupation due to remedial or refurbishment works, fire damage weather related flooding or similar,

### **4.2 Procedure**

- All applications should contain a completed application form and be submitted in writing (or by email) direct to Revenue Benefits & Customer services Manager.
- All applications must be supported by copies of the floor/site plan clearly indicating which parts of the property are empty and for what periods of time.

- The application maybe completed by a third party on behalf of the applicant provided authority has been obtained by the applicant.
- On receipt of the application the Revenues Benefits & Customer Services Manager has 28 days to reach a decision. If further information is required the 28 days will start from the date when all the information has been received.
- On receipt of the application the Revenue & Benefits manager will arrange for the Visiting Officer to visit the premises to ascertain the exact nature of the request. **NO CONSIDERATION WILL BE GIVEN TO AN APPLICATION UNLESS A PROPERTY INSPECTION IS CARRIED OUT.**
- Any request must be received whilst the circumstances appertaining to the request exist. This is to allow the Visiting Officer to see the site in relationship to the request. **NO RETROSPECTIVE APPLICATIONS WILL BE CONSIDERED.**
- Relief will not be granted for periods of less than 6 weeks and relief will end on:
  1. The date of full occupation
  2. The date of full vacation
  3. The date of completion of remedial works
  4. The end of the financial year (a further application will need to be made if the period of part occupation continues after 1<sup>st</sup> April). Applications received late in the financial year may be assessed for both years at the Council's discretion)
- The effective start date of the relief will normally be the date of the initial request or the date of the visit by the Council's Officer.
- If the application is approved the Revenue Benefits & Customer services Manager Manager will officially request a certificate from the Valuation Office Agency. If relief is not to be awarded a letter will be sent to the ratepayer with an explanation.
- On receipt of the certificate the Revenues Benefits & Customer Services Manager will inform the ratepayer in writing of the decision. If relief is to be awarded a revised Business Rate bill will be issued.
- The amount of relief will be calculated in accordance with the certificate issued by the Valuation Officer for an agreed period of time.
- Payment of Business Rates must continue whilst the application is being considered.

### 5.0 Appeals

- The Council's decision in this matter is FINAL. There is no right of appeal.

# APPLICATION FORM

**LOCAL GOVERNMENT FINANCE ACT 1988  
(SECTION 44A)  
APPLICATION FOR NATIONAL NON-DOMESTIC RATE RELIEF**

(Please use black ink and write in BLOCK CAPITALS)

1. Full name of Ratepayer or Company  
.....
2. Property Reference number (if known)  
.....
3. Address of premises  
.....  
.....  
Post Code .....
4. Telephone number  
.....  
.
5. Email  
.....  
.
6. Effective date of part occupation  
.....
7. Explain briefly why the premises are partly empty and future intentions for reoccupation .....
- .....
- .....
- .....
- .....

8. Please attach a floor plan indicating the parts of the premises which are not in use.

I HEREBY CERTIFY that the particulars given in this application are correct to the best of my knowledge and belief.

Signature ..... Date .....

You should complete and return this form, as soon as possible to:

(Councils Address)

## **NATIONAL NON-DOMESTIC RATES - HARDSHIP RELIEF**

### General Information

Section 49 of the Local Government Finance Act 1988 gives the Council as a billing authority, discretion to reduce or remit payment of rates where it is satisfied that the ratepayer would sustain hardship if it did not do so, and where it is reasonable for the Authority to do so having regard to the interest of its Council Tax Payers.

In making decisions on whether to grant relief, the Authority follows guidance issued by the Ministry of Housing, Communities & Local Government (MHCLG)). The MHCLG has said that whilst it is for each billing authority to decide on the facts of each case whether to exercise its powers under Section 49 – and to judge the extent of those powers – authorities may wish to bear the following guidance in mind:

1. Although authorities may adopt rules for the consideration of hardship cases, they should not adopt a blanket policy either to give or not to give relief, each case should be considered on its own merits.
2. Reduction or remission of rates on grounds of hardship should be the exception rather than the rule.
3. The test of 'hardship' need not be confined strictly to financial hardship; all relevant factors affecting the ability of a business to meet its liability for rates should be taken into account.
4. The 'interests' of Council Tax Payers in an area may go wider than direct financial interests. For example, where the employment prospects in the area would be worsened by a company going out of business, or the amenities of an area might be reduced by, for instance, the loss of the only shop in a village.
5. Where the granting of relief would have an adverse effect on the financial interest of Council Tax Payers, the case for a reduction or remission of rates payable may still on balance outweigh the cost to them.

### How to apply for Hardship Relief

There is a specific application form for Hardship Relief. Applications must be in writing accompanied by at least the previous 2 years audited accounts where Businesses are required to be audited. The applicant must give a detailed explanation of why they are applying for hardship relief and how any relief awarded will be of benefit to the ratepayer and in the best interests of Council Tax payers in the District.

## Appendix 1

All applications for hardship relief are submitted to the Authorities appeals panel for consideration. When your application form is received it will be acknowledged receipt and let you know when a decision will be made. If any further information is required to progress your application we will contact you. Once the appeals panel has made a decision on whether or not to grant relief, a letter (and or email) will be sent to you to let you know the decision and the reasons for that decision. Please note that the decision of the appeals panel is final.

## 2017 Discretionary Revaluation Relief

### Applications for Relief

- 2.1 The Council is keen to identify ratepayers who may qualify for the relief and as such will look to encourage certain ratepayers to apply. The Council will look to simplify the application process wherever possible, but it will expect ratepayers to provide such information as is required by the Council to support their application.
- 2.2 The Council has decided that relief under the scheme will be awarded using the following criteria:
- a) The scheme is designed to assist ratepayers who have suffered significant increases in rate liability due to the revaluation and the subsequent increase to their rateable value.
  - b) Relief will **not** be awarded where mandatory relief is granted
  - c) In assessing potential entitlement to any award under this scheme, the council will compare the rate liability of the ratepayer at 31.03.17 after any reliefs and reductions AGAINST the rate liability of the ratepayer as at 01.04.17 after transitional and any other reliefs and reductions awarded.
  - d) Relief will only be given to premises that are liable for occupied rates. No relief within this scheme will be awarded to unoccupied property.
  - e) Relief will only be granted to ratepayers who were in occupation on both 31 March 2017 and 01 April 2017 and for each days subsequently.
  - f) Relief maybe awarded for more than one premises as long as **all** other criteria are met.
  - g) Relief will not be awarded where mandatory relief is awarded or where the ratepayer has applied for a reduction under S44a of the Local Government Finance Act 1988.
  - h) Relief will not be awarded for properties who are wholly or mainly used by:
    - I. Banks and Building Societies
    - II. Accountancy Firms (Accountants & Financial Advisors)
    - III. Betting & Gambling Establishments
    - IV. Cash Machines & ATM's
    - V. Charity Shops (whether Mandatory Relief is given or not)
    - VI. Doctors & GP Surgeries
    - VII. Foreign Exchange Agents
    - VIII. Insurance Agents
    - IX. Pawn Brokers
    - X. Solicitors & Law Firms
    - XI. MOD & NHS
    - XII. Telecommunications hereditament

## XIII. Sex establishments & Pole Dancing Clubs

2.3 **The rules relating to State Aid apply where it is provided in accordance with the De Minimis Regulations (1407/2013). The De Minimis Regulations allow an undertaking to receive 200,000 euros of De Minimis aid in a 3-year period (current financial year and 2 previous years)**

### 3.0 **Limitation of increases and the calculation of awards**

3.1 The Council has decided that the following awards will be granted for **2017/18:**

- I. Where the Rateable Value of the hereditament at 01 April 2017 is less than £100,000 relief will be granted to limit the increase calculated in paragraph 2.1 to a maximum **8%**. If the increase is 8% or less no relief will be awarded.
- II. Where the Rateable Value of the hereditament at 01 April 2017 is £100,000 or greater the transitional relief % increase will effectively be limited to 20% (as opposed to 42% currently set). If the increase is 20% or less no relief will be awarded.
- III. The Council reserves the right to consider any applications outside of the criteria in I & II above on a case by case basis.

(To clarify for 2017/18 where the conditions are satisfied, properties with a 01 April 2017 Rateable Value of less than £100,000 will have increases limited to 8%:

Properties with a Rateable Value of greater than £100,000 will effectively have their Transitional Relief calculation limited to 20%)

The Council will consider any other applications on a case by case basis).

#### **For 2018/19**

- I. Where the Rateable Value of the property at 01 April 2017 is less than £100,000 = the relief awarded in 2017/18 x 50%.
- II. Where the Rateable Value of the property at 01 April 2017 is £100,000 or more = the relief awarded in 2017/18 x 50%.
- III. Any other cases to be continued to be considered on a case by case basis.

#### **For 2019/20**

- I. Where the Rateable Value of the property at 01 April 2017 is less than £100,000 = the relief awarded in 2018/19 x 50%.
- II. Where the Rateable Value of the property at 01 April 2017 is £100,000 or more = the relief awarded in 2018/19 x 50%.
- III. Any other cases to be continued to be considered on a case by case basis.

## For 2020/21

- I. Where the Rateable Value of the property at 01 April 2017 is less than £100,000 = the relief awarded in 2018/19 x 10%.
- II. Where the Rateable Value of the property at 01 April 2017 is £100,000 or more = the relief awarded in 2018/19 x 10%.
- III. Any other cases to be continued to be considered on a case by case basis.

Relief under this scheme will be applied to a ratepayer accounts as a % reduction of the annual net liability rounded to one decimal place.

### 4.0 Appeals

4.1 As with any Discretionary Rate Relief application the ratepayer has a right of appeal against the non-award of this relief.

4.2 Any appeal should initially be made in writing (or by email) to the Revenue & Benefits Manager for a reconsideration.

4.3 A further appeal may then be made to the Council's Appeals Committee whose decision is final.

### 5.0 Revision

5.1 The Council reserves the right to revise the policy on an annual basis (subject to Corporate Board approval) should it be necessary to do so.

## Appendix 2

Rating Relief - Reference Guide			
Type of Organisation	Mandatory Relief Available	Discretionary Relief Available	Reference
Charitable Body	80%	Up to 20%	Appendix 1 - Mandatory & Discretionary Rate Relief for Charitable Bodies and Community Amateur Sports Clubs
Non-Profit Making Organisation (Not registered as a Charity)	0%	Up to 100%	Appendix 2 - Rate Relief for Non-Profit making organisations.
Community Amateur Sports Clubs	80%	Up to 20%	Appendix 1
Business in Defined Rural Areas	50%	Up to 50%	Appendix 3 - Rural Rate Relief
Business suffering hardship caused by exceptional circumstances	0% to 100% (determined on its merits)		Appendix 5 - Hardship Relief
Partial Occupation/Vacation for Business (S44A)	0%	Dependent on VOA dividing the Rateable Value. Normally for a maximum 3 months or 6 months for Industrial Property	Appendix 4 - Section 44A - Part Occupation
Businesses revalued through 2017 National Revaluation	0%	Each Council has a determined scheme for an award of up to 100% for 4 years	Appendix 6 - 2017 Revaluation Relief
Localism Relief	0%	Up to 100% for a defined period	<i>No defined Policy. Council can award in any instance for a defined reason i.e. Weather related flooding</i>
<b>Other Reliefs - (No local policy required)</b>			
Small Business Rate Relief (SBRR)	Up to 100% for sole businesses with a RV of £12,000 or less and a % reduction for those with an RV of £12,001 to £15,000	0%	Section 61 of The Local Government Act 2003 inserted Sections A4-4D into Section 43 of the Local Government Finance Act 1988.
Supporting Small Businesses	Applies to properties losing SBRR following 2017 Revaluation. Maximum increase for 5 years is £600/year	0%	The Council Tax and Non-Domestic Rating (Demand Notices) (England) (Amendment) Regulations 2018.
Transitional Relief/Surcharge	% reduction/increase dependent on Rateable Value	0%	Phases in large RV increase/decreases following a national revaluation. Refer to The Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016 SI No 1265.
Empty Property Relief	100% relief for 3 months or for 6 months on Industrial Property	0%	Some properties are exempt from an empty charge i.e. Listed Buildings, If RV is under £2,900, Property owned by a Charity, Community Amateur Sports Club