

POLICY TITLE

Discretionary Rate Relief Policy

REVISION DATE

1 April 2010

REPLACES POLICY

This policy was previously defined by various Committee, Cabinet and full Council decisions

POLICY NUMBER

125

POLICY AIM

This policy sets out the Council's intentions for dealing with discretionary rate relief applications (including hardship relief requests) from Charities, Community Amateur Sports Clubs (CASCs), Non-Profit Making Organisations (NPMOs), rural businesses (village shops, post offices, food stores, petrol filling stations, public houses and other small businesses), and other businesses situated within South Holland.

The policy has regard to the use to which business premises are put and, in particular, the contributions that businesses seeking rate relief make to their local communities. It also has regard to the financial cost to the council taxpayers of the district. The policy will be applied consistently and in accordance with the Council's vision, mission, themes, objectives, values and culture. The policy embodies and supports the Council's vision ***'to develop and promote South Holland as a thriving, living and working rural community'***.

POLICY STATEMENT

Scope

The policy applies to any business ratepayer within the discretionary rate relief qualifying groups and criteria set out in legislation, guidance issued by the Department for Communities and Local Government (DCLG) and this document. Some of them will also receive mandatory rate relief.

Application requirements and decision making process

Business rate payments remain legally due and payable in accordance with the most recent bill until such time as any rate relief is awarded.

The rate relief will usually be awarded by means of a reduction shown on the business rate bill issued to the ratepayer. Where this puts the account in credit for the year, a refund will be made. Written applications will be required for each case and these will need to be renewed annually if relief is to continue into the next financial year. The Council will ensure that application forms for discretionary rate relief (except hardship relief) are made available to ratepayers on request. Hardship relief applications should be made in writing by the ratepayer and they should include all relevant information and evidence to support the case for relief to be given on the grounds of hardship. Hardship is not defined in rating law. Therefore, ratepayers will be expected to clearly explain why they believe they would suffer hardship if the Council failed to use its discretionary power to reduce their rate bills. They will also need to show why it would be reasonable for the Council to do so having regard to the interests of the people who pay council tax in South Holland. Hardship relief is unlikely to be given where the business cannot demonstrate its future viability.

With the exception of hardship relief, everyone receiving rate relief at the time will be sent a renewal application form before the start of each financial year. Advice and guidance notes will be included with these renewal forms. When completed forms are returned, they will be checked to ensure that an entitlement still exists and, if so, the relief will be awarded for a further year. Where an application is not returned, relief will not be awarded and the organisation will be sent a rate bill for the full charge.

New ratepayers occupying a property part way through a financial year should apply at the time they move in. Wherever possible, applications for discretionary rate relief should be made within the financial year for which the relief is being sought. Accepting applications made after this time will be at the discretion of the Council and in any event applications have to be determined by law within six months of the end of the financial year for which relief is being sought.

Application forms will set out the evidence requirements that need to be met for a decision to be made. Failure to provide evidence will delay the decision making process. Where evidence is not forthcoming within a reasonable timescale, rate relief is likely to be refused. If the applicant is a Non-Profit Making Organisation (NPMO), the two most recent sets of annual accounts will need to be provided. Accounts will need to have been either audited, approved by a general meeting of the organisation (minutes of the meeting will be required) or independently verified and signed by two officers of the organisation (one of whom will be the person who has prepared them).

Where the circumstances of an application fall comfortably within this policy, rate relief will be granted by officers. We will aim to notify the outcome of new rate relief applications within 15 working days. The outcome of annual renewal applications will be confirmed with the rate bill for the new financial year. Where the applicant's circumstances **do not** fall comfortably within this policy, their application will be referred to the Finance Portfolio Holder for a decision to be made. We will aim to notify the outcome of these cases within 30 working days or sooner if possible.

Qualifying criteria for Charities, Non-Profit Making Organisations and Community Amateur Sports Clubs (CASCs)

We will expect membership of any organisation applying for relief to be open to all sections of the community. This would not apply where legitimate restrictions are required which relate, for example, to ability in a sport or the achievement of a standard or where the capacity of the facilities is limited. Organisations will not be given relief if they have membership subscription rates set at such a high level that they exclude the general community. In general, the organisation must be prepared to show that the criteria by which it considers applications for membership are consistent with the principle of **open access**.

We will also take into account:

- whether the organisation actively encourages membership from particular groups in the community (for example young people, women, older age groups, people with disabilities, people from minority ethnic groups and so on)
- whether facilities are made available to people other than members (for example schools, casual public sessions and any others) and the numbers in each category of membership
- whether the organisation provides training or education for its members or schemes for particular groups to develop their skills (examples include young people, people with disabilities and retired people)
- how the organisation acquired its premises and facilities
- what would happen to the organisation's assets in the event that it should cease to exist
- whether the organisation is involved in the local or national development of its interest through affiliation to, or membership of, a relevant Council, governing or representative body or similar organisation.

Additional criteria where either a licence exists, or may be granted, that permits alcohol to be available on the premises

Rate relief will **not** be reduced where a premises licence, club premises certificate or Temporary Event Notice exists, or is granted under the Licensing Act 2003, **provided** alcohol is only available on occasions when the premises are used for a function to raise funds for the club or organisation. Relief will be reduced in all other cases as set out in Appendix A of this policy. The intention of this paragraph is to prevent full discretionary rate relief being given in circumstances where an organisation's members have regular access to licensed bar facilities.

Promoting and communicating the policy

Advice and information will be issued to all business ratepayers with their bills. It will also be available on the Council's website and from staff who may be dealing with enquiries from ratepayers. Renewal application forms will be sent annually to every business ratepayer receiving relief at the time. In addition, wherever possible, we will identify any new ratepayer who may qualify under the policy and provide them with information and guidance at the earliest opportunity.

Detailed provisions

The policy provides for relief to be awarded at different levels for different categories of qualifying business ratepayer. These are shown in Appendix A.

WHO IS AFFECTED BY THE POLICY?

- Business ratepayers
- Members, customers and staff of organisations and businesses eligible for rate relief
- The Council Tax payers of the district who meet part of the cost

IMPLEMENTATION

Who is responsible?

The Benefits and Revenues Team within the Finance Service Unit will administer the policy and make recommendations and decisions on rate relief applications. To ensure a proper separation of duties, consistency and due diligence, decisions will be made by an independent officer within the team who is not responsible for maintaining business rate accounts or taking general recovery action. The Team will refer requests for relief outside the policy provisions, with recommendations, to the Finance Portfolio Holder for a decision to be made.

Complaints and Appeals

Any ratepayers who believe their cases have not been correctly dealt with can use the Council's Customer Feedback procedure to further their complaints. Anyone who believes they can make a special case for more relief than this policy provides for will be able to submit a case in writing for consideration by the Finance Portfolio Holder.

Although there is no formal right of appeal against the Council's decisions on discretionary rate relief applications (except by judicial review), in keeping with good customer care practices and principles of open Government, this policy provides for an independent review of any decision to take place within sensible boundaries. If the decision is clearly in keeping with the policy intention but the grounds for review seek to challenge the policy itself, the case will be held over and considered only as part of the next normal policy review cycle. Where the application of the policy itself is being challenged, then the ratepayer concerned will be invited to give reasons why they think the decision is wrong and impartial reconsideration will then be given to their case.

If the original decision was made by a Council Officer, then the case will be reconsidered by the Finance Portfolio Holder whose decision will be final. If the original decision was made by the Finance Portfolio Holder, then the circumstances of the case will be reported to the Cabinet for reconsideration and the decision of the Cabinet will be final.

MONITORING

The policy will be monitored in the following ways:

| MONITORING ACTIVITY | PERSON RESPONSIBLE |
|--|---|
| Check to see if the policy has been implemented effectively and accurately | Benefits and Revenues Manager Internal and external auditors |
| Data collection and quarterly reporting | Senior Benefits and Revenues Officer |
| Cost to Council taxpayers | Benefits and Revenues Manager |
| Induction, staff and member training | Senior Rating and Recovery Officer |
| Review of policy | Head of Finance |

POLICY CONSULTATION

This policy was developed in accordance with South Holland District Council's Consultation and Participation Strategy and its approach to Best Value. Service users and local special interest groups, staff and members were involved in consultation activities and the policy reflects the results of the feedback. The policy has evolved over a number of years as a result of new legislation being introduced, situations that have arisen in practice and Member involvement as representatives of their communities.

We are committed to building on our strong relationship with the community, other public, private and voluntary sectors through enhancing current consultation and participation – a Consultation and Participation Strategy has been developed to help us do this. The support and assistance given to voluntary bodies was the subject of a Best Value review in 2000. The level of rate relief provided by the Council formed part of that review and is embodied in the current policy.

POLICY APPROVAL

The key policy provisions had previously been approved by full Council over a number of years and a series of minutes were available for inspection by way of confirmation. The administrative provisions within this policy are largely based on recognised good practice. This policy was approved by Cabinet on 10 October 2006.

BACKGROUND

The principles of this policy are supported in law by the Local Government Finance Act 1988 (as amended) and regulations made under that Act. Regard has also been had to the Best Practice principles outlined in the DCLG document *Non-Domestic Rates - Guidance on Rate Relief for Charities and other Non-Profit Making Organisations (December 2002)*.

RELATED POLICIES & STRATEGIES

South Holland District Council's:

- Best Value Manual
- Best Value Performance Plan
- Code of Conduct
- Consultation and Participation Strategy and Methods
- Economic Development Strategy
- Licensing Policy Statement (Licensing Act 2003 only)
- Training and Development Policy
- Vision and Corporate Plan

APPENDIX A – the range of rate relief awards for different categories of ratepayer.

| Category of Ratepayer | Mandatory Rate Relief | Discretionary Rate Relief | Cost met by Council Tax |
|--|--|--|-------------------------|
| | (all columns indicate % of full rate charge) | | |
| Charity shops selling donated and new goods | 80% | Nil | Nil |
| Charity shops selling only donated goods | 80% | 10% | 7.5% |
| Certain voluntary and foundation schools | 80% | Nil | Nil |
| Charities where members have regular access to licensed bar facilities (see policy) | 80% | 10% | 7.5% |
| Any charities not covered in the categories above | 80% | 20% | 15.0% |
| Registered Community Amateur Sports Clubs (CASCs) where members have regular access to licensed bar facilities (see policy) | 80% | Nil | Nil |
| Registered CASCs with no bar on site | 80% | 20% | 15.0% |
| Sports clubs that could register as CASCs, but fail to do so, with a bar on site | Nil | Nil | Nil |
| Sports clubs that could register as CASCs, but fail to do so, with no bar on site | Nil | 60% | 15.0% |
| Non-profit making organisations (NPMOs) where members have regular access to licensed bar facilities (see policy) and where the Rateable Value (RV) of the property is greater than £8,500 | Nil | 50% | 12.5% |
| NPMOs where members have regular access to licensed bar facilities (see policy) and where the RV is £8,500 or less | Nil | 80% | 20.0% |
| Any other NPMOs | Nil | 100% | 25.0% |
| The only village store and the only village post office in the rural settlement where the RV is £8,500 or less | 50% | 50% | 12.5% |
| The only village public house and the only village petrol filling station in the rural settlement where the RV is £12,500 or less | 50% | 50% | 12.5% |
| Food stores with RVs of £8,500 or less in rural settlements | 50% | 50% | 12.5% |
| Any businesses with RVs of £16,500 or less in rural settlements which are of benefit to the local community | Nil | Relief amount not specified in policy – cases considered individually on merit | |
| Any ratepayers that want to make a case for hardship relief | Nil | Relief amount not specified in policy – cases considered individually on merit | |