



National Non- Domestic Rates Discretionary Rate Relief Policy

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Discretionary Rate Relief Policy

1. **Introduction.** This policy sets out the Council's policy for processing requests for Discretionary Rate Relief for Non Domestic Rates.

2. Charitable/ Not for profit Discretionary Relief.

2.1 The legislation for Councils to grant discretionary rate relief to charities, certain not for profit or philanthropic bodies and community amateur sports clubs is set out in Section 47 of the Local Government Finance Act (LGFA)1988.

2.2 To qualify for discretionary relief your organisation must :-

- be a charity and the property used wholly or mainly for a charitable purpose (whether of that charity or of that and other charities)
- be a property used for recreational purposes which is occupied by a club, society or other organisation, not established or conducted for profit
- be concerned with education, social welfare, science, literature or fine arts, or have objectives which are charitable or otherwise philanthropic or religious
- be of primary benefit to the residents of Burnley

2.3 Discretionary relief will not normally be considered for public sector or public sector type organisations such as government bodies/housing associations and the like.

2.4 Burnley Council will first determine entitlement to mandatory charitable relief under section 43(6) of the LGFA1988. This is awarded at a rate of 80% to charities or trustees of a charity in respect of occupied properties where the premises are wholly or mainly used for charitable purposes. Discretionary relief can vary between 1% and 100% for any organisation that does not qualify for mandatory relief. For a recipient of mandatory relief, discretionary relief may be awarded up to a maximum value of 20%

Table 1 : Guidance on rate relief for charities

Guidance on Rate Relief for Charitable and Non –Profit making organisations		
1.	100%	Relief (mandatory and/or discretionary) to be granted to organisations whose work is beneficial to the community at large, or who actively encourage membership from a full cross section of the community, or who provide facilities which directly or indirectly

		relieve the local authority of the need to do so
2.	80%	Mandatory relief to be granted to organisations with charitable status but which do not meet the criteria set out in 1. Above
3.	80%	Discretionary relief to be granted to organisations that do not have charitable status but <ul style="list-style-type: none"> a) Actively encourage membership from particular groups in the community, for example young people, women, older age groups, disabled people, ethnic minorities etc or b) Make facilities available to people or groups other than members , for example use by schools, casual public sessions etc
4.	70%	Discretionary relief to be granted to qualifying organisations that do not have charitable status but provide training or education for members or conduct schemes for particular groups to develop their skills
5.	70%	Discretionary relief to be granted to qualifying organisations that do not have charitable status but whose main purpose is to provide sporting facilities of a physical nature excluding 'games room' type facilities, but which also have a social aspect with a licensed bar

2.3 No relief will be granted to any organisation with membership rates set at such a level to exclude the general community.

2.4 An application form must be completed for this relief and must be supported with a copy of the organisation's constitution and the most recent audited accounts and report

2.5 The Council will award discretionary relief for a period of twelve months. Review forms will be issued prior to the end of this twelve month period should a further award be requested.

2.6 The decision to award discretionary charity and not for profit relief will be made by the Director of Resources. This is a discretionary award so there is no statutory right of appeal against this decision. However a business can write to the Council within one month of the decision to request that the decision is looked at again. The outcome of the review will be final.

3.0 Hardship Relief

3.1 Section 49 of the Local Government Finance Act 1988 provides the Council with the power to remit or reduce the payment of rates where it is satisfied that the ratepayer would sustain hardship if it did not do so, and where it is reasonable to do so having regard to the interests of Council Tax payers within the borough.

3.2 Each application for hardship relief will be considered individually on its own merits:

- When assessing whether the ratepayer would face hardship the Council will require a written request from the ratepayer to include the latest trading accounts and a projection of those accounts for a further two years. In the case of partnerships and sole traders the Council may also require the personal financial details of relevant individuals to assist with any decision.
- The ratepayer must be able to demonstrate that he is offering a unique service to his locality, which would not be replaced were his business to close, and which is of specific benefit to Council Tax payers within the locality of the business. Alternatively, the business must offer a specific service to vulnerable groups or provide significant employment throughout the borough as a whole, which is of significant benefit to Council Tax payers in the borough as a whole.
- The award of relief must be capable of enabling the ratepayer to continue trading to the end of the financial year in which the relief is granted.

3.3 The decision to award hardship relief will be made by the Director of Resources. This is a discretionary award so there is no statutory right of appeal against this decision. However a business can write to the Council within one month of the decision to request that the decision is looked at again. The outcome of the review will be final.

3.4 Relief may be granted at an appropriate amount up to 100% of the full charge.

3.5 An application form must be completed for this relief .

3.5 The start date of the relief shall not be earlier than the start of the financial year in which the application was made. Relief shall be awarded to the end of the financial

year in which the application was made, with a new application being required from the ratepayer in respect of any hardship relief requested for subsequent financial years.

4.0 Part Occupied Relief

4.1 Section 44a of the LGFA 1988 allows the Council to request that the Valuation Officer apportions the rateable value of a property between the parts that are occupied and those unoccupied if it appears to the authority that this situation will remain for a short period of time only.

4.2 The use of section 44a is a discretionary power conferred on the Council and does not alter the general rule that occupation of part of a property constitutes occupation of the whole of the property.

4.3 The application of section 44a is intended to apply to those properties where there are practical difficulties in either occupying the premises or vacating the premises.. It is not intended that all properties which temporarily become partly unoccupied should have their liability reduced.

4.4 An application form must be completed for this relief

4.5 The decision to award part occupied relief will be made by the Director of Resources. This is a discretionary award so there is no statutory right of appeal against this decision. However a business can write to the Council within one month of the decision to request that the decision is looked at again. The outcome of the review will be final.

5.0 Discretionary Localism Relief

5.1 The Council can give discretionary relief under section 47(5a) of the LGFA to any ratepayer it wishes provided that the ratepayer meets the test of it being right to award relief having regard to the interest of the authority's Council Tax payers.

5.2 An application form must be completed for this relief.

5.3 The decision to grant discretionary localism relief will be made by the Chief Executive. Any decision will consider the interest of the authorities Council Tax payers in relation to the cost and benefit to the Council and how such a decision will support the strategic objectives of the Council. Particular consideration will be given to how the issuing of relief can support the creation and/or safeguarding of jobs in

the borough .The Council will monitor on-going progress in relation to relief awarded on the basis of future creation and/or safeguarding of employment.

6.0 Retail Relief Policy

6.1 In accordance with section 47 of the Local Government Finance Act 1988 the council will award up to £1,000 of discretionary rate relief to occupied retail premises on condition that:

- The property has a rateable value of £50,000 or less, and
- The property is occupied and it is being wholly or mainly used as a shop, restaurant, café or drinking establishment for visiting members of the public.

6.2 Examples of eligible properties are outlined below:

i. Properties that are being used for the sale of goods to visiting members of the public:

- Shops (such as: florist, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets, etc)
- Charity shops
- Opticians
- Post offices
- Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
- Car/ caravan show rooms
- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)

ii. Properties that are being used for the provision of the following services to visiting members of the public:

- Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops, etc)
- Shoe repairs/ key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/ TV/ domestic appliance repair
- Funeral directors
- Photo processing

- DVD/ video rentals
- Tool hire
- Car hire

iii. Properties that are being used for the sale of food and/ or drink to visiting members of the public:

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bars

Examples of properties that are not eligible to the relief are outlined below:

i) Properties that are being used for the provision of the following services to visiting members of the public:

- Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, betting shops, pawn brokers)
- Other services (e.g. estate agents, letting agents, employment agencies)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors)

ii) Properties that are not reasonably accessible to visiting members of the public

6.3 Ratepayers will be advised to confirm that they are within EU State Aid limits as relief cannot be awarded if these limits have been exceeded.

6.4 Relief will be granted following receipt of a completed application form where the qualifying criteria are met.

6.5 The relief will be granted for any years where the Retail Relief scheme is in existence. The Government has currently stated that the scheme will operate for 2014-15 and 2015-16

6.6 The decision to award Retail Relief will be made by the Head of Revenues and Benefits. This is a discretionary award so there is no statutory right of appeal against this decision. However a business can write to the Council within one month of the decision to request that the decision is looked at again. The outcome of the review will be final

6.7 The relief will be applied to rates accounts after all other reliefs have been applied.

7.0 Re-occupation relief

7.1 Under section 47 of the LGFA, the Government has given the Council powers to introduce a 50% discount from Non- Domestic rates for new occupations of previously empty retail premises.

7.2 The discount will last for 18 months and will be available for properties re-occupied between 1st April 2014 and 31st March 2016. Previously empty properties will need to have been unoccupied for at least twelve months.

7.3 The definition of retail will mirror that for retail relief (set out in 6.2 above)

7.4 Re-occupation relief will not apply where the new use is for payday loan companies, betting shops and pawnbrokers.

7.5 Relief will be granted following receipt of a completed application form where the qualifying criteria are met.

7.6 Ratepayers will be advised to confirm that they are within EU State Aid limits as relief cannot be awarded if these limits have been exceeded.

7.7 The decision to award Reoccupation Relief will be made by the Head of Revenues and Benefits. This is a discretionary award so there is no statutory right of appeal against this decision. However a business can write to the Council within one month of the decision to request that the decision is looked at again. The outcome of the review will be final

7.8 The relief will be applied to rates accounts after all other reliefs, except retail relief, have been applied.

7.9 The relief will be granted for any years where the Retail Relief scheme is in existence. The Government has currently stated that the scheme will operate for 2014-15 and 2015-16

8.0 New Build Relief

8.1 Under s47 of the LGFA, the government has given the Council powers to exempt all newly built commercial property completed between 1st October 2013 and 30th September 2016 from empty property rates for the first 18 months.

8.2 Ratepayers will be advised to confirm that they are within EU State Aid limits as relief cannot be awarded if these limits have been exceeded.

8.3 Relief will be granted following receipt of a completed application form where the qualifying criteria are met.

8.4 It is intended that properties that will benefit from the relief will be all unoccupied non domestic hereditaments that are wholly or mainly comprised of qualifying new structures. Structures means

- Foundations and/or
- Permanent walls and/or
- Permanent roofs

8.5 The decision to award New Build relief will be made by the Head of Revenues and Benefits. This is a discretionary award so there is no statutory right of appeal against this decision. However a business can write to the Council within one month of the decision to request that the decision is looked at again. The outcome of the review will be final.

Table 2 - Decision making process – Discretionary Reliefs

Type of Discretionary Relief	Decision Maker	Application Form required
Charity/Not for profit discretionary relief	Director of Resources	Yes
Hardship relief	Director of Resources	Yes
Discretionary Localism relief	Chief Executive	Yes
Part Occupied relief	Director of Resources	Yes
Retail Relief	Head of Revenues and Benefits	Yes
Re-occupation relief	Head of Revenues and Benefits	Yes
New Build relief	Head of Revenues and Benefits	Yes