

**DISCRETIONARY RATE RELIEF POLICY**

The Council has discretion to grant relief of up to 100% of the rates on properties occupied by certain non-profit making bodies, or in the case of registered charities entitled to 80% mandatory relief, to top the relief up to 100%. From 1<sup>st</sup> April 2012 the Council may grant up to 100% relief to any ratepayer.

In deciding whether to grant discretionary relief, the Council will look at the contribution that the organisation makes to the area. Consideration will also be given to whether services provided replace, enhance or supplement current Council facilities and priority will be given to those organisations that benefit the local community specifically. The Council must also have regard to the interests of its Council Tax payers when making their decision.

The broad framework to be used in decision making is provided in the table below:

<b>Organisation</b>	<b>Relief granted</b>
Scouts, Guides etc.	Usually qualify for 80% Mandatory Relief. In such circumstances 20% top-up relief will be awarded.
Village Halls, Community Centres, Youth Clubs and Playgroups.	20% top-up will be considered, in addition to 80% Mandatory relief.  Alternatively, up to 100% Discretionary relief will be considered for such organisations.
Welfare Groups	20% top-up will be considered, in addition to 80% Mandatory relief, where the organisation wholly or mainly benefits local residents.  Alternatively, up to 100% Discretionary relief will be considered for such organisations specifically benefiting local residents.
Charity shops	20% top-up will be considered only in cases where the charity wholly or mainly benefits local residents.
Sports and Recreational Organisations	No application will be considered without evidence of an application for Community Amateur Sports Club status. An exemption to this rule will be applied for small organisations where the need to draft a Constitution would not prove cost effective. eg. Village bowling club.  Discretionary relief will be considered for organisations that do not qualify for Community Amateur Sports Club status on the individual merits of each case, providing the main aims are sporting rather than social.  Sporting and recreational clubs operating with a bar, included in the rating assessment, will not normally be awarded discretionary rate relief. However, if the main purpose of the club is to provide sporting and social activities, and the bar is ancillary to this, relief may still be

	awarded where the finances of the organisation warrant additional help, but at a % below the maximum level.
Organisations in rural areas	<p>50% top-up relief will be considered on the individual merits of each case, for those businesses located in a rural settlement that qualify for Mandatory Relief, where the business is classed as a Post Office, general store or food shop.</p> <p>Pure Discretionary relief for other businesses in a rural settlement will be considered on the individual merits of each case, where there is a proven need for additional financial assistance.</p> <p>In such cases the organisation must benefit the local community, taking into account the financial impact upon Council Tax payers.</p>
Miscellaneous Organisations	<p>Relief will be considered on the individual merits of each case.</p> <p>Consideration will also be given to non-profit making bodies which form part of the City's history or heritage, or otherwise make a significant contribution to the City's status, through tourism or other factors.</p>
Awards under the Localism Act 2011	From 1 <sup>st</sup> April 2012 relief can be granted to any other ratepayer, giving due consideration to the interests of council Tax payers.
Central Government Initiatives	Relief will be awarded in line with DCLG guidance where the Council will be reimbursed in full for the cost of the relief, unless to do so would go against the Council's wider objectives for the local area.
Part Occupation Relief (s.44a)	The Council will consider the use of this discretion to assist ratepayers who are temporarily unable to use the whole of their premises.
Organisations in financial difficulties.  (Hardship Relief)	Hardship relief will be considered on the individual merits of each case, when evidenced that it is in the interests of the community to do so.

**Other criteria taken into account:**

**Access and provision of facilities:**

- Is membership open to all sectors of the community. Excessive membership fees set at a level to exclude the general community will be seen as restrictive
- 75% of members should be City Council residents

- The level of effort made by the organisation to encourage membership from particular groups in the community. eg. young people, women, older age groups, disabled persons, ethnic minorities etc.
- Are facilities made available to people other than members. eg. Schools, casual public sessions
- Does the organisation provide facilities which indirectly relieve the authority of the need to do so, or enhance and supplement those which it does provide, particularly if the need is considered a priority by the Council

In general, the club or organisation must show that the criteria by which it considers applications for membership are consistent with the principles of open access.

### **Extent to which activity is based around a Bar and use of Profits from it:**

Relief will not be awarded to those organisations where a bar is the main activity. It would be expected that any bar profits would be put back to offset club expenses, negating the reliance upon public funds.

### **Rural Rate Relief:**

Discretionary relief is not restricted to any particular type of business.

In making a judgement, officers will balance the interests of the individual ratepayer or small community against that of Council Tax payers in general. If granting relief has a very small, but negative impact on tax payers it may still be reasonable to grant relief.

### **General Applications for Relief:**

From April 2012, the Council can award discretionary rate relief to any ratepayer.

In making a judgement, officers will balance the interests of the individual ratepayer or small community against that of Council Tax payers in general, taking into consideration local factors, and whether the council's financial position allows for a reduction to be made.

Examples of these factors would be:

- the impact on local employment of the potential decline / loss of existing business
- opportunities for local development and regeneration
- increased employment by encouraging businesses into the area

### **Central Government Initiatives:**

Following the enactment of the Localism Act 2011 which gave local authorities wider powers under s.47 of the Local Government Finance Act 1988 to grant relief, Central Government announced a number of relief initiatives to assist ratepayers using s.47 powers, with a view to reimbursing local authorities in full via Section 31 grants under the Local Government Act 2003.

The Council will award relief to qualifying ratepayers in these circumstances in line with DCLG guidance, unless to do so would go against the Council's wider objectives for the local

area. Application forms may not be required in all cases, and relief can be awarded automatically where officers are satisfied that the qualifying criteria has been met.

### **Part Occupation Relief:**

Under s44A of the Local Government Finance Act 1988, a billing authority has discretion to request that the Valuation Office apportion the rateable value of a property between the occupied and unoccupied parts, to allow relief to a business that is partially occupying a property for a short period of time, typically, but not exclusively, as part of a phased move in or phased move out.

The Council will consider each case on its own merits and will take into account the following:

- the circumstances leading to the part occupation
- the intention of the ratepayer to fully occupy or vacate the premises
- evidence that it will only be empty for a short period of time
- the financial implications of granting relief
- the granting of the relief in the best interests of the Council and/or its residents
- where there are practical difficulties in occupying/vacating a property by a ratepayer and full occupation is to be phased over a number of weeks or months
- where part of a premises has become redundant due to a temporary reduction in trade and a reduction will alleviate hardship
- any other circumstances which result in partial occupation will be considered on their own merits/individual circumstances

Relief will not be granted if an application is received after the property has become fully occupied or fully empty, unless supported by significant evidence, as we would be unable to inspect the premises.

Relief will be granted for a maximum period of 3 months for office or retail type premises and a maximum of 6 months in respect of industrial type premises. In exceptional circumstances relief can be granted for up to 12 months, but this should only be considered for hereditaments that are nationally listed buildings.

### **Hardship Relief:**

Consideration will be given on a one-off basis to businesses suffering severe financial hardship, where it is evident that it is in the interests of the local community that the ratepayer remains in business because either:

- *He/she provides a unique, regularly required amenity, eg. a village general store, or*
- *The loss of employment provided by the ratepayer would be severely damaging to the local community.*

### **Decision Making:**

In line with the Council's decision-making arrangements, the Chief Officer (Resources) delegates all decisions regarding the granting of applications of relief under this policy to the Assistant Director (Head of Revenues & Benefits) (Shared Service).

**Appeals:**

Under the Local Government Finance Act 1988, there is no statutory right of appeal against the Council's use of discretionary powers. However, the Council will accept a customer's request for a review of its decision, to be presented to the Chief Officer (Resources) for further consideration.

**Additional Notes:**

- Applications for relief will be considered on their individual merits in relation to the Council's overall financial position.
- Applications for relief can only be backdated to the beginning of the financial year in which the application was made, subject to exceptional circumstances.
- Annual reviews will be carried out of those organisations in receipt of relief.
- Where relief is granted to organisations funded by the Council, the cost of the relief may be met by adjusting grant levels to ensure that there is no adverse effect on Council Tax payers.