

Policy and Procedures for Award of Non Domestic Rate Relief on the Grounds of Hardship

1.0 Policy

1.1 Background

Section 49 of the Local Government Finance Act 1988 provides the Council with the discretion to reduce or remit in full payment of the Non Domestic Rate rates on the grounds that the occupier of a non-domestic property is experiencing financial hardship caused by the business rate liability. Hardship relief may be considered for both occupied and unoccupied properties.

1.2 Conditions

The Council can reduce or remit in full payment of the rates where:

- it is satisfied that the ratepayer would sustain hardship if it did not do so; and
- it is reasonable for it to do so having regard to its council tax payers.

Hardship relief can commence when the ratepayer meets the conditions and applications may be submitted for future rating years.

1.3 Financial Implications

The implications of granting relief are set out below:

Type of Relief	Maximum Relief	Cost to NDR Pool	Cost to General Fund
Hardship	Up to 100%	75%	25%

The Council has to take into account the interests of its council tax payers as 25% of any relief granted is funded by local council tax payers.

1.4 Appeals

Refusal to grant relief could be challenged through judicial review in the High Court.

1.5 General guidance on hardship relief

These points are based on guidance offered by the former Office of the Deputy Prime Minister.

- Although the Council may adopt rules for the consideration of hardship cases, a blanket policy either to give or not to give relief should not be adopted; each case should be considered on its own merits
- The application process should be kept as simple and streamlined as possible to enable decisions to be made quickly.

- Reduction or remission of rates on grounds of hardship should be the exception rather than the rule.
- 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.
- The interests of council taxpayers 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 only provider of a service in the area.
- Where the granting of relief would have an adverse effect on the financial interests of tax payers, the case for a reduction or remission of rates payable may still on balance outweigh the cost to tax payers.
- Hardship rate relief constitutes state aid which may need to be notified to the European Commission.
- The hardship caused to a ratepayer may be self-evident, for example where a business has been affected by severe loss of trade due to external factors such as natural disasters.
- The Council may, however, wish to consider how the business can demonstrate such loss of trade or business. For example, accounts, order books, till receipts or VAT returns may show a marked decline in trade compared to corresponding periods in previous years.
- The Council should be clear in awarding relief that it will be granted only for the period for which there is clear evidence of hardship for the ratepayer concerned.
- To guard against fraudulent claims, the Council should be satisfied that the claim is from a ratepayer suffering genuine hardship.

2.0 Procedures

2.1 Ratepayers wishing to apply for hardship relief should submit a written application to the Council including the following:

- Reason for the application;
- Details of the business;
- List of benefits and services the business provides to the local community;
- A copy of the latest audited accounts; and/or a letter from their bankers and accountant
- Any other relevant information which is proof of hardship.

2.2 An application for hardship relief will be decided by the Director of Resources in consultation with the Chairman of the Finance and Personnel Committee, on the advice of the Head of Revenues and Exchequer, using the pro-forma at Appendix A.

2.3 Any and all decisions to award or not to award relief will be administered by the Head of Revenues and Exchequer, using the letter templates shown at Appendices B and C.

Appendix A**Non Domestic Rate Relief on the Grounds of Hardship**

Name of Business	
------------------	--

Account reference	
-------------------	--

Property Address	Correspondence Address

Nature of Business	
--------------------	--

Description in Rating List		RV	
----------------------------	--	----	--

	Period	£
Non Domestic Rate		
Transition		
Small Business Rate Relief		
Balance payable		

Period of Relief requested	
----------------------------	--

Total Relief	£
Cost to NNDR Pool	£
Cost to General Fund	£

Attachments	
Written submission	
Audited accounts	
Other items	

Report from Head of Revenues and Exchequer	
Signed	Date

Decision of Director of Resources	
Signed	Date

Agreement of Chairman of Finance and Personnel Committee	
Signed	Date

Account updated	Signed	Date
Northgate		
Comino		
Ratepayer notified		

Appendix B

Non Domestic Rate Relief on the grounds of hardship

Thank you for your application for Non Domestic Rate Relief on the grounds of hardship received at this office on

I have considered your application and am pleased to confirm that hardship relief has been awarded in the sum of £ for the period from to inclusive. A revised bill is enclosed.

In making my decision, I have taken account of

I trust that you are satisfied with my decision. However, if you are not satisfied, please confirm this to me in writing, together with your reasons and any relevant documentary evidence

In the meantime, please do not hesitate to contact the Head of Revenues and Exchequer Manager on 01992 785512 should you require further assistance.

Yours sincerely

Director of Resources

Appendix C

Non Domestic Rate Relief on the grounds of hardship

Thank you for your application for Non Domestic Rate Relief on the grounds of hardship received at this office on

I have considered your application and regret that I cannot award hardship relief on the information you have provided.

In making my decision, I have taken account of

I understand that my decision may not be welcome. If you disagree with my decision, please confirm this to me in writing, together with your reasons and any relevant documentary evidence

In the meantime, please do not hesitate to contact the Head of Revenues and Exchequer on 01992 785512 should you require further assistance.

Yours sincerely

Director of Resources