

DISCRETIONARY RATE RELIEF - GENERAL RELIEF UNDER THE LOCALISM ACT 2011

Background

Prior to the Localism Act, Section 47 of the Local Government Finance Act 1988 (LGFA 1988), Councils were able to grant discretionary rate relief only in certain specified circumstances. They could top up the 80% mandatory relief available on premises occupied by charities and Community Amateur Sports Clubs and they could award up to 100% relief for non-profit making bodies.

Section 69 of the Localism Act 2011 amended Section 47 of the LGFA 1988, and came into effect on 1 April 2012. The purposes of that Act allowed for an extension of the existing provisions in that discretionary rate relief may be granted in any circumstances where a local authority sees fit, having regard to the effect on Council Tax payers in the area.

The decision to grant discretionary relief is left to the council in whose area the rated premises are located. The council may grant relief for all or part of the rate.

Any Ratepayer applying for relief under these provisions and who does not meet the criteria for existing discretionary rate relief must meet all of the following criteria and the amount of relief granted will be dependent on the following key factors:-

- The ratepayer must not be entitled to mandatory or 100% small business rate relief;
- The ratepayer must not be an organisation that could receive relief as a non-profit making organisation or as a sports club or similar;
- The premises and organisation must be of significant benefit to the residents of the borough.

The ratepayer must also demonstrate that they satisfy as much of the following criteria as possible:

- Provide facilities to certain priority groups such as the elderly, disabled, minority groups and early years child care; or
- The award relates to business rates payable on premises where
 - New employment opportunities will be created; or
 - The organisation must bring social, environmental or economic benefit to the community; or
 - Contribute to the sustainable development of the borough
- Provide the resident of the borough with such services, opportunities' or facilities that cannot be obtained locally or are not provided locally by another organisation; and

- The ratepayer must demonstrate that assistance (provided by the discretionary rate relief) will be for a short time only and that any business/operation is financially in the medium and long term; and
- The ratepayer must show that the activities of the organisation are consistent with the Council's plan.

Where a ratepayer can demonstrate that the criteria is met, the period and value of relief granted will be solely at the discretion of the council.

A formal application from the ratepayer will be required in each case and any relief granted, will be in line with State Aid Requirements

Private and independent schools will not be eligible for discretionary rate relief under this policy.

State Aid Requirements

The issue of some rating reliefs being considered as state aid is now of some significance and is briefly explained in the "Rate Relief for Charities and other Non-Profit Making Organisations" guidance note issued by the Office of the Deputy Prime Minister in December 2002.

Broadly, any award of discretionary rate relief is subject to State Aid De Minimis limits. The De Minimis regulations allow an undertaking to receive up to €200,000 of De Minimis Aid in a three-year period (consisting of the current financial year and the two previous financial years).

Cost of Awarding Relief

The Cost of awarding all forms of rate relief is split between central government, billing authorities and major preceptors on a fixed percentage basis.

Central Government bears 50% of the cost, the county 9% the fire authority 1% and billing authorities the remaining 40%.

In regard to Discretionary rate relief, if the relevant conditions are satisfied, the local authority has the discretion to award or refuse the application. When making their decision the local authority must consider the guidelines and appendices in our policy and take into account the impact that such awards might have on local authority tax payers in the area, as 40% of the cost is borne by the local authority.

Your application

Your application will be considered by the Council's Cabinet. This is the Council's main decision making group, made up of leading Councillors.

In order that an informed decision may be reached, it is important that:

- (i) every question in this form is answered as fully as possible – if the question does not apply to you the please write "not applicable" in the space provided for your answer; and

- (ii) the required documentary evidence accompanies the completed form.

If you do not answer the questions or evidence is not provided, then your application may not be considered.

Upon receipt of your application, provided you have answered all of the questions and have attached the necessary documentary evidence, a report will be prepared for the Cabinet meeting to consider.

As the report contains information about the financial or business affairs of applicants, all members of the public and press are excluded from the part of the meeting when these are considered. The Cabinet does not consider representations in person at its meetings, so please be sure that everything you wish to be taken into account is included in your written application. The information you have supplied will be treated in the strictest confidence.

Where an application has been refused, either initially or following an appeal, further applications will not be considered within a period of two years following the latest decision, except where:

- (i) The use of the property changes; or
- (ii) The objectives of the organisation change; or
- (iii) There have been other changes that may affect the Council's decision (for example where an organisation has taken action to address an issue which had previously precluded an award of relief).

You must continue to pay the rates pending the outcome of your application.

If you require any further information or would like help in completing this form please telephone the Business Rate Team, on 01252 398331, during normal office hours.



**APPLICATION
for
DISCRETIONARY RATE RELIEF IN RESPECT OF:
GENERAL RELIEF UNDER THE LOCALISM ACT 2011**

PLEASE COMPLETE IN BLACK INK

Rate Reference Number:

(You may find this on your rate bill)

Ratepayer's Name:

Address of Rated Premises:

Description of Rated Premises:

(You may find this on your rate bill)

Rateable Value:

(You may find this on your rate bill)

PLEASE ANSWER ALL OF THE FOLLOWING QUESTIONS AS FULLY AS POSSIBLE

If a question does not apply to your organisation, please write "Not Applicable" in the space provided for your answer.

Please indicate your business relationship to the property?

- ☐ Owner
- ☐ Tenant
- ☐ Leaseholder

Please describe the nature of your business?

For what purposes does the organisation use the premises?

Is the property used for any other purposes?

Please provide details:

Are there any other businesses of a similar nature in the borough

- ☐ Yes
- ☐ No
- ☐ Not Known

(Please provide further information as to how your business offers opportunities that other businesses do not offer)

How many people are employed in the business? And of these employees, how many live locally in Rushmoor?

No of employees _____ Resident Locally _____

Please provide information about how new employment opportunities will be created?

Please give the reason for your application, including how the business brings social environmental or economic benefit to the borough and contributes towards the sustainable development of the borough:

Please explain why you consider your business benefits local taxpayers?

Please provide an up to date trading statement (showing the current financial situation of the organisation) plus a copy of the following audited or certified accounts for the last two years:

- Balance sheet
- Income and expenditure

DECLARATION

I confirm that all information given in this form is true to the best of my knowledge and belief. I understand if any information that I give is found to be inaccurate, my application will be disqualified.

Signature: **Date:**

Name: (please print in block capitals)

Capacity in which signed: