



# **Discretionary Rate Relief Policy 2023/24**

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## Contents

Introduction .....	4
Legislation .....	4
Policy Aims .....	4
CHARITIES, COMMUNITY AMATEUR SPORTS CLUBS (CASC'S), AND NON-PROFIT MAKING ORGANISATIONS .....	5
RURAL RATE RELIEF .....	6
HARDSHIP RELIEF .....	7
LOCAL DISCRETIONARY DISCOUNTS .....	7
SECTION 44A, PARTLY OCCUPIED PREMISES .....	8
Making an Application .....	9
State Subsidy .....	9
Timescales .....	10
Decision Making .....	10
Complaints and appeals .....	11
Service Delivery .....	11
Appendix A - Levels of Relief .....	12
Addendums .....	13
Page .....	13
Addendum 1 - Rural Rate Relief .....	14
Addendum 2 - Retail Discount .....	16
Addendum 3 - Relief for Local Newspapers .....	17
Addendum 4 - Supporting Small Business Relief .....	19
Addendum 5 - Heat Network Relief .....	21

## **Introduction**

This policy sets out the Council's intentions for dealing with applications for discretionary rate relief.

This includes applications from Charities, Community Amateur Sports Clubs (CASC's), Non-Profit Making Organisations, rural businesses (village shops, post offices, food stores, petrol filling stations, public houses and other small rural businesses), and other businesses situated within East Lindsey.

The policy has regard to the use to which business premises are put, and in particular the contribution that businesses seeking rate relief make to local communities. It also has regard to the financial cost to council taxpayers.

Addendums to this Policy will include time limited specific local discretionary rate relief schemes.

## **Legislation**

The Council has discretionary powers with regard discretionary rate relief under: -

The Local Government Finance Act 1988

The Local Government and Rating Act 1997

## **Policy Aims**

Through this policy, East Lindsey District Council seeks to support its strategic aims and objectives:

- Enabling people to get actively involved in their community
- Improving equality of opportunity and life chances
- Contributing to environmental sustainability and adapting to climate change
- Developing and nurturing the character and viability of our towns, villages and rural areas
- Helping to develop the right environment for a growing economy – building on current strengths and creating new business sectors.

We will assess each case on its own merits having regard to: -

- The eligibility criteria set out in this policy,
- The benefit that the organisation or business brings to the local community and
- The cost to the Council Taxpayer of awarding the relief.

## **CHARITIES, COMMUNITY AMATEUR SPORTS CLUBS (CASC'S), AND NON-PROFIT MAKING ORGANISATIONS**

### **Eligibility Criteria**

We will expect organisations to: -

- Operate in line with our Equality Objectives.
- Demonstrate a clear link to our Corporate Strategy.
- Be open to all sections of the community.
- Have membership rates set at levels that do not exclude the general community.
- Demonstrate that the criteria by which it considers application for membership is consistent with open access.

We will also consider: -

- Whether facilities are made available other than to members (for example schools).
- Whether the organisation provides training or education for its members, or schemes for particular groups to develop their skills (for example young people, people with disabilities or retired people).
- Whether the organisation is local or national and its connections within East Lindsey's area.

Information that will be required to support an application for discretionary rate relief:-

- A copy of the organisations constitution.
  - Documented community support from the local parish or town council and from the local ward member(s)
  - A copy of the organisations Equal Opportunity Policy.
  - A copy of the organisations membership application and subscription levels.
  - Copies of the last 2-years audited accounts.
- Reserves held should not exceed 12 months running costs.  
- If reserves exceed 12 months running costs and are held for a planned project, details of the project must be provided along with costings and timescales.

### **Village Halls**

Village Halls are public buildings run by dedicated groups of volunteers who have the responsibility for all aspects of management of the building in line with current legislation. We recognise that village and community halls play important roles in their community as they provide a facility for social, recreational and cultural activity.

In recognition of the importance of village halls within communities, and alignment with our Corporate Strategy, top up rate relief will be awarded in full.

### **Organisations not eligible for Discretionary Rate Relief**

The Council is not permitted to award discretionary rate relief to a precepting authority, or itself as a billing authority.

In addition, under this policy, the following organisations will not normally be eligible:-

- Charity Shops
- Schools, including academies, voluntary aided, voluntary controlled, church or grant aided.

### **Levels of Rate Relief**

Rate relief is awarded at different levels for the different categories of qualifying organisations and businesses. These are shown at Appendix A.

Discretionary Rate Relief will be awarded to the full extent on offer, unless this exceeds £2,000, in which case relief will be capped at this amount.

The cap does not apply to village and community halls.

### **Period of Discretionary Rate Relief Award**

Discretionary Rate Relief will be granted to 31 March of the financial year for which the award relates. Continuation of relief will be subject to reapplication or review.

## **RURAL RATE RELIEF**

The districts Rural Settlement List is reviewed annually and designates settlements within a rural area which have a population of 3,000 or less.

Rural Rate Relief is available for post offices, village shops, public houses and petrol filling stations subject to rateable value restriction, where they are the only business of that type in the rural settlement.

The Chancellor announced in the Autumn Statement on 23 November 2016 that rural rate relief will double from 50% to 100% from 1 April 2017.

The government has confirmed that it intends to amend the relevant primary legislation to require local authorities to grant 100% Mandatory Rural Rate Relief, but to ensure that ratepayers are not unfairly penalised, they have announced a scheme to allow Council's to use their powers under section 47(3) of the Local Government Finance Act 1988 to award discretionary relief to the relevant cases which meet the specific criteria for this relief.

For further information regarding this additional relief, please see page 13.

Other business in a defined rural settlement may apply, but will need to demonstrate some exceptional nature of business, or benefit to the local community.

## **HARDSHIP RELIEF**

The Local Government Finance Act 1988 permits discretionary relief to be awarded on the basis of hardship, with consideration to the interest of local taxpayers.

We will consider written applications for Hardship Relief from ratepayers whose business if it were to cease trading would have a detrimental effect on the local community, including local employment.

Every case will be considered on its own merit, and we will have particular regard to evidence of exceptional or unforeseen circumstances to justify reduction.

Applications will need to be supported by:

- Details of the reason for an application, including evidence of any exceptional or unforeseen circumstances
- Details of the business and its importance to the local community
- Copies of the last 2 years audited accounts
- Nature of the hardship
- Other evidence that the rate payer feels supports their application
- Details of the number of people who are employed by the business who reside in East Lindsey

Any award of hardship relief will be exceptional and will be time limited.

Any reduction will be short term assistance and should not be considered to be a means of reducing rates liability in the longer term.

## **LOCAL DISCRETIONARY DISCOUNTS**

The Localism Act 2011 introduced a new power for local authorities to be able to grant discounts on business rates as they think fit.

Every case will be considered on its own merit. Any award will be the exception rather than the rule and will be time limited.

Written applications will need to be supported as a minimum by: -

- Clear reasoning for the request, including a statement of the business type and the impact on the local community if the business were to come into the area/move away from the area.
- Details of the business and its importance to the local community, including an explanation as to what is unique and how the business sets itself apart from other businesses.
- Copies of the last 2 years audited accounts.
- Copy of any business plan.
- Details of any other support already received from other sources, or reasons why support was not forthcoming.
- Details of the number of people who are, or will be, employed by the business who reside in East Lindsey. Information about future employment opportunities and business growth.
- Any other evidence that the rate payer feels supports their application, and that would assist us to be satisfied that the granting of the relief would be in the interest of the local council taxpayer.

Specific local schemes that are in place at any time are shown as Addendums to this Policy.

## **SECTION 44A, PARTLY OCCUPIED PREMISES**

A ratepayer is liable for the full non-domestic rate whether a property is wholly occupied or only partly occupied. Where a property is partly occupied for a short time, we have discretion in certain cases to award relief in respect of the unoccupied part.

Written applications must be supported by: -

- Detailed maps which outline the whole property and indicate the partly occupied section.
- Details of the planned period of time for the part occupation.
- Details of future intentions.
- Details of the cause for the part occupation.

In the first instance it will be considered if a split of the assessment is appropriate, and if so a report will be referred to the Valuation Office Agency to consider amending the valuation list entry.

If it is not capable of being separately assessed, then the application for Section 44A will be considered.

A site visit will normally be undertaken.

## **Making an Application**

Any Non-Domestic Rates payment due must be paid in line with the most recent bill until such time as any relief is awarded.

Written applications with the exception of applications for Section 44a relief are required on the approved application form. Application forms can be printed from our website [www.elindsey.gov.uk](http://www.elindsey.gov.uk), or a paper version can be provided on request.

Applications must be accompanied by evidence as outlined in this policy and on the application form. Where necessary the ratepayer may be required to provide additional information to support their application.

Failure to complete the application in full or provide requested information will cause delays in the decision-making process.

## **State Subsidy**

Prior to 1<sup>st</sup> January 2021, the award of discretionary rate relief was considered likely to amount to State Aid as defined by the EU. The EU required that all State Aid (including discretionary rate relief) complied with the De Minimis Regulations EC 1407/2013. The De Minimis Regulations allow an undertaking to receive up to €200,000 aid over a rolling three year period.

From 1<sup>st</sup> January 2021, the United Kingdom left the EU Single Market and Customs Union and is no longer subject to the De Minimis Regulations.

The Government has introduced its own rules regarding state subsidies. Discretionary rate relief is considered a subsidy under the rules, but the matters that must be considered all relate to the effect of the subsidy on international trade. In making an award the public body making it must consider:

- affects international trade;
- the subsidy is prohibited under World Trade Organisation (WTO) rules;
- that are in line with those agreed by the UK-EU Cooperation and Trade Agreement
- are unlikely to trigger a dispute under WTO trade rules

It is unlikely that an award of discretionary rate relief would fall counter to these rules.

Further information on the rules from 1<sup>st</sup> January 2021 can be found at [UK subsidy control statutory guidance - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

## **Timescales**

Wherever possible applications should be made within the financial year for which the relief is being sought.

Requests for backdating will be considered at the discretion of the Council. However, in accordance with the Local Government Finance Act 1988, applications must be determined within 6 months of the end of the financial year for which the relief is being sought.

## **Decision Making**

Applications will be administered within the Business Rates Team.

Decisions in respect of applications for discretionary relief in respect of the following categories will be made by officers: -

- Charity,
- Community Amateur Sports Clubs (CASC's),
- Non-Profit Making Organisations
- Rural Rate Relief
- S44A Partly Occupied Premises
- Local Discretionary Discount (those within the policy addendums)

Decisions will be made by the Portfolio Holder for Finance, in consultation with the Section 151 Officer in respect of individual applications for: -

- Hardship Relief
- Local Discretionary Discount (those outside the policy addendums)

The decision-making process in respect of schemes introduced under the Localism Act is set out for each relevant scheme included as Addendums to this Policy.

Successful applicants will be notified of the amount of discretionary rate relief awarded by the issue of a new rates bill. The relief will be shown as a reduction on the bill. If the account is in credit as a result of the award, a refund will be made to the ratepayer.

Unsuccessful applicants will be notified in writing and the reason for the decision will be provided.

## **Complaints and appeals**

Any customer who feels that they have not been correctly dealt with can use the Customer Feedback procedure to make a complaint.

Rating Law does not allow for a ratepayer to appeal a decision by the Council on discretionary rate relief. However, in the interest of natural justice and in keeping with good customer care practice and principles of open government, this policy provides a mechanism for review of any decision.

If a ratepayer is unhappy with the decision made, full details should be submitted, in writing to the Business Rates Team within 30 days of notification of the decision.

The case will be reviewed, and where the outcome remains the same the case will be referred to the Portfolio Holder for Finance (an Executive Board Member responsible for Non-Domestic Rates), in conjunction with the Section 151 Officer, for further consideration.

We aim to conclude any review within 30 days.

## **Service Delivery**

The Business Rates function is delivered for East Lindsey District Council by Public Sector Partnership Services Limited.

## Appendix A - Levels of Relief

CATEGORY OF RATEPAYER	MANDATORY RELIEF	DISCRETIONARY RELIEF
Charity Shop	80%	Nil
Certain voluntary and foundation schools	80%	Nil
Village Halls	80%	20%
Other charities meeting application criteria	80%	20%, to a maximum of £2,000
Registered Community Amateur Sports Clubs (CASC's)	80%	20%, to a maximum of £2,000
Non-Profit Making Organisations	Nil	Up to 100%, to a maximum of £2,000
Any business meeting the rateable value criteria in a rural settlement which demonstrates exceptional circumstances and benefits to the local community	Nil	Cases considered on individual merit
Hardship relief, and Local Discretionary Discount	Nil	Cases considered on individual merit

## Addendums

The following local discount schemes are currently in place, and are administered under the provisions of Section 47 of the Local Government Finance Act 1988, as inserted by Clause 69 of the Localism Act 2011

(Please refer to pages 9-10 of this policy for [State Subsidy](#) requirements and [Timescales](#) for applications and backdating restrictions)

		<b>Page</b>
<b>1</b>	Rural Rate Relief	14-15
<b>2</b>	Retail Discount	16
<b>3</b>	Local Newspapers	17-18
<b>4</b>	Supporting Small Business Relief	19-20
<b>5</b>	Heat Network Relief	21-22

## **Addendum 1 - Rural Rate Relief**

Rural Rate Relief is available for post offices, village shops, petrol filling stations and public houses subject to rateable value restriction, where they are the only business of that type in the rural settlement.

The Government announced in the Autumn Statement on 23 November 2016 that the relief will double from 50% to 100% from 1 April 2017.

As a measure the government is not changing legislation, instead local authorities are required to adopt a local scheme and decide each individual case using their discretionary relief powers introduced by the Localism Act (under Section 47 of the Local Government Finance Act 1988).

### **Eligibility Criteria**

Properties that will benefit from the relief will be hereditaments that:

- Are those which are located in a rural settlement with a population of less than 3,000 and are either
- The sole general store, food shop or post office with a rateable value of up to £8,500 or
- The sole public house or petrol filling station with a rateable value of up to £12,500

The districts Rural Settlement List is reviewed annually and designates settlements within a rural area which have a population of 3,000 or less. The Rural Settlement List currently includes all parishes in East Lindsey except Alford, Chapel St Leonards, Coningsby, Holton Le Clay, Horncastle, Louth, Mablethorpe, Skegness, Spilsby, Sutton On Sea and Woodhall Spa.

### **Amount of Rural Rate Relief available**

Anyone who is entitled to mandatory Rural Rate Relief will be eligible for the increased level of discount to 100% off their business rates bill.

### **Recalculation of Rural Rate Relief**

The amount of relief awarded will be recalculated in the event of a change in circumstances, including a backdated change to the rateable value or the hereditament, whether arising during the year in question or during a later year.

### **Application for Rural Rate Relief**

Where possible ratepayers entitled to relief under this local scheme will be identified by East Lindsey District Council.

Ratepayers who believe they might be entitled to this relief should contact the Business Rates team.

Amounts of Rural Rate Relief awarded under this policy will be notified by the issue of a rates bill.

### **Decision Making**

Decisions in respect of Rural Rate Relief will be made by officers.

### **Complaints and Appeals**

Will follow the process set out in the main Policy.

## **Addendum 2 - Retail Discount**

The 2022/23 Retail, Hospitality and Leisure Business Rates Relief scheme provided occupied retail, hospitality and leisure properties with a 50% relief up to a cash cap limit of £110,000 per business.

Support for eligible Retail, Hospitality and Leisure has been extended and increased from 50% to 75% for the 2023/24 financial year.

Ratepayers who occupy more than one property will be entitled to relief for each of their eligible properties up to the maximum £110,000 cash cap per business. This cash cap of £110,000 applies at a Group company level, which means holding companies and subsidiaries cannot claim up to the cash cap for each company. No Business Rates payer should in any circumstances exceed this limit across all of their properties in England.

This scheme is also subject to the subsidies chapter within the UK-EU Trade and Cooperation Agreement. The subsidies chapter applies to subsidies over the value of approximately £343,000 per beneficiary over a 3-year period – the 'Small Amounts of Financial Assistance limit'. The 3-year period is the current financial year and the 2 previous financial years.

### **Eligibility Criteria**

East Lindsey District Council will administer the scheme in line with Government guidance set out in its Retail Guidance (links below) using its discretionary powers under section 47 of the Local Government Finance Act 1988 to grant relief to eligible businesses

[2022/23 Retail, Hospitality and Leisure Relief Scheme: local authority guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/2022-23-retail-hospitality-and-leisure-relief-scheme-local-authority-guidance)

Businesses are able to refuse this discount, the Council has assumed that all businesses that qualify for the discount will want to benefit from it. However, if they do not wish to receive this discount this will be removed on request.

### **Decision Making**

The scheme will be administered by the Business Rates team. Decisions in respect of applications for Retail Discount Relief will be made by officers.

### **Complaints and Appeals**

Will follow the process set out in the main policy.

### **Addendum 3 - Relief for Local Newspapers**

From 1 April 2017 the Government announced a business rates discount of up to £1,500 a year to business rates accounts for office space occupied by local newspapers up to a maximum of one discount per local newspaper title and per hereditament. This relief scheme has been extended to 31 March 2025.

Local Authorities are required to adopt a local scheme and decide each individual case using their discretionary relief powers introduced by the Localism Act (under Section 47 of the Local Government Finance Act 1988).

East Lindsey District Council will use the Government criteria to determine qualifying ratepayers and will review this for 2025/26.

#### **Eligibility Criteria**

Properties that will benefit are those that meet the following criteria:

- The property must be occupied by a local newspaper and must be wholly or mainly used as office premises for journalists and reporters
- The local newspaper must be what is considered to be a 'traditional local newspaper'; the relief is not available to magazines.

'Wholly or mainly' is a test on use rather than occupation. Therefore, properties which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

#### **Amount of Relief available**

Up to £1,500 relief a year, the amount of relief is limited to a maximum of one discount:-

- Per newspaper title (e.g. per newspaper name) And
- Per hereditament (property) that is wholly or mainly occupied by the local newspaper

#### **Recalculation of Relief**

The amount of local newspaper relief awarded will be recalculated in the event of a change in circumstances, including changes to occupation of premises by the local newspaper or identification that the relief has been applied on additional accounts.

#### **Application for Local Newspaper Relief**

Where possible ratepayers entitled to local newspaper relief under this local scheme will be identified by East Lindsey District Council.

Ratepayers who believe they might be entitled to this relief should contact the Business Rates team.

Amounts of relief awarded under this policy will be notified by the issue of a rates bill.

### **Decision Making**

Decisions in respect of Local Newspaper Relief will be made by officers.

### **Complaints and Appeals**

Will follow the process set out in the main Policy.

## **Addendum 4 - Supporting Small Business Relief**

At the Autumn Statement on 17 November 2022 the Government announced that it would create a new Supporting Small Business relief scheme to ensure no small business faces a bill increase greater than £50 per month for 2023-24 as a result of losing eligibility for Small Business Rate Relief or Rural Rate Relief.

East Lindsey District Council will administer the scheme in line with Government guidance set out in Annex A of Business Rates Information Letter (7/2022) using its discretionary powers under section 47 of the Local Government Finance Act 1988 to grant relief to eligible businesses.

### **Eligibility Criteria**

Ratepayers facing increases in their rateable value due to revaluation who are losing some or all of their Small Business Rate Relief or Rural Rate Relief.

To support these ratepayers, the Supporting Small Businesses relief will ensure that the increase per year in the bills of these ratepayers is limited to a cash value of £600 per year (£50 per month). This cash maximum increase ensures that ratepayers do not face large bill increases in 2023/24 after Transitional Relief and Small Business Rate Relief or Rural Rate Relief (as applicable) have been applied.

Ratepayers entitled to Supporting Small Business Relief for 2023/24 whose 2023 rateable values are £51,000 or more will not be liable to pay the supplement (1.3p) to fund Small Business Rate Relief while they are eligible for 2023 Supporting Small Business Relief.

### **Application for Supporting Small Business Relief**

Where possible ratepayers entitled to Supporting Small Business Relief under this local scheme will be identified by East Lindsey District Council.

Successful applicants will be notified of the amount of Supporting Small Business Relief awarded by the issue of a new rates bill.

### **Conditions of the award**

In the event of a change in circumstances Supporting Small Business Relief will be recalculated.

Ratepayers who believe they might be entitled to this relief should contact the Business Rates team.

Amounts of relief awarded under this policy will be notified by the issue of a rates bill.

**Decision Making**

Decisions in respect of Supporting Small Business Relief will be made by officers.

**Complaints and Appeals**

Will follow the process set out in the main Policy.

## **Addendum 5 - Heat Network Relief**

At the Spring Statement on 23 March 2022, the Government announced a new Heat Network relief which will be available for hereditaments being used wholly or mainly as a heat network which have their own rating assessment from 1 April 2022.

East Lindsey District Council will administer the scheme in line with Government guidance using its discretionary powers under section 47 of the Local Government Finance Act 1988 to grant relief to eligible businesses

[Business rates heat network relief: local authority guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/business-rates-heat-network-relief)

### **Eligibility Criteria**

Properties that will benefit are those that meet the following criteria:

- Have their own business rates assessment
- Be wholly or mainly used for the purpose of a heat network, and
- The heat, over the next 12 months, is expected to be generated from a low carbon source (irrespective of whether that source is located on the hereditament or on a different hereditament)

‘Wholly or mainly’ is a test on use rather than occupation. Therefore, properties which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

### **Exclusions and Ineligibility**

The following hereditaments are not eligible for Heat Network Relief:

- Those that are wholly or mainly providing heat for a different purpose, for example an industrial process
- Those that do not have their own business rates assessment such as small and medium scale heat networks, for example common heating systems in multi-occupied buildings or estates, which do not give rise to a separate business rates bill. In these cases, the heat network forms part of the services of the properties which have a wider purpose (e.g. offices).

### **Amount of Relief**

Anyone who is entitled to Heat Network Relief will be eligible for 100% relief off their business rates bill for any day on which they meet the eligibility criteria.

The relief itself will be assessed and calculated on a daily basis.

### **Recalculation of Relief**

The amount of relief awarded will be recalculated in the event of any backdated changes including changes to the rateable value or the hereditament.

If the use of the hereditament changes so that it is no longer eligible, the relevant chargeable amount must be recalculated to reflect that fact.

### **Application for Heat Network Relief**

Ratepayers who believe they might be entitled to this relief should contact the Business Rates team.

Amounts of Heat Network Relief awarded under this policy will be notified by the issue of a rates bill.

### **Decision Making**

The scheme will be administered by the Business Rates team. Decisions in respect of applications for Heat Network Relief will be made by officers.

### **Complaints and Appeals**

Will follow the process set out in the main policy.