

DISCRETIONARY RATE RELIEF POLICY

Contents

1. Introduction and Scope
2. Discretionary Rate Relief & Rural Discretionary Scheme
3. Charitable organisations
4. Registered community amateur sports clubs
5. Not for-profit making organisations including Community Interest Companies
6. Hardship Relief
7. Section 44a Relief - partly occupied properties
8. Backdating
9. Interaction of Reliefs
10. Period of Relief
11. State Aid
12. Local Business Rates Discretionary Relief
13. Organisation Receiving Funding from the Council
14. Period of Relief
15. Applications
16. Approvals
17. Appeals
18. Policy Review
19. Communications
20. Fraud

([Appendix A](#) - Scoring Matrixes, [Appendix B](#) – Rural Settlement List (needs inserting), [Appendix C](#) - Funding Arrangements, [Appendix D](#) - Draft Application Form (when designed or just web link), [Appendix E](#) - Equality Impact Assessment) Appendix F Revaluation Relief

1. Introduction and scope

Somerset West & Taunton Council recognises that both the community and voluntary sectors make an important contribution to the local economy, health and well-being of the residents who live and work in the District of Somerset West & Taunton Council. However, Discretionary Rate Relief granted by Somerset West & Taunton Council is paid for by the Council Tax Payers and the Council has a duty to ensure that public funds are spent wisely and there is due transparency and accountability.

This policy document outlines the areas of local discretion and Somerset West & Taunton Council approach when awarding Discretionary Rate Relief. This approach has regard to the impact:

- On the Council's wider financial position and how that affects Council Tax payers
- On the organisations and businesses that currently receive or may apply for Relief in the future
- On Somerset West & Taunton Council residents, if relief is awarded and the regeneration benefits to the local community
- Of funding made available by Central Government to provide full financial support for the awarding of relief such as but not restricted to: Revaluation Relief, Rural Rate Relief and Help for Small Businesses, Retail Relief.

The principal consideration when making an award is that any Relief is in the best interests of the taxpayers of Somerset West & Taunton Council and produces a local benefit.

2. Discretionary Rate Relief Scheme

Discretionary Rate Relief is granted in accordance with:

- Section 43 of the Local Government Finance Act (LGFA) 1988; and
- Section 47- 49 of the Local Government Finance Act (LGFA) 1988 as amended by the Localism Act 2011

Clause 69 of the Localism Act amended section 47 of the Local Government Finance Act (LGFA) 1988 to allow local billing authorities to fund their own local discounts entirely as it sees fit within the limits of the primary legislation and European Rules on State Aid. These powers can be used to encourage new business and investment, regeneration projects, as well as to support local shops or community services.

The cost of awarding Discretionary Rate Relief is split between Central Government (50%), Somerset West & Taunton Council (44%) the County Council (9%) and Devon Fire (1%). However in certain circumstances Central Government fund 100% of the cost of awarding relief as detailed in [Appendix C](#).

Regulations state that hereditaments cannot qualify for relief that are occupied by precepting authorities which includes **town and parish councils**. Discretionary relief cannot be awarded in respect of any properties where Somerset West & Taunton Council, town or parish councils are in occupation, unless acting as 'trustee'

Other organisations that would not normally receive discretionary relief

Educational organisations that are not registered charities (including universities, further education colleges, voluntary aided, voluntary controlled, church or grant-aided schools, public schools, foundation schools and academies).

Guidance was given to local authorities in 1990 and 2002 recommending that the authority should have readily understood policies for deciding whether or not to grant relief, and for determining the amount of relief to certain organisations which operate within specified criteria. This criteria covers:

- Charitable bodies already in receipt of Mandatory Relief at 80% the Council has further discretion to “top up” this Relief
- Registered community amateur sports clubs already in receipt of Mandatory Relief at 80% - the Council has further discretion to “top up” this Relief on a case by case basis.
- Not for-profit organisations - the Council has discretion to grant Discretionary Rate Relief in accordance with local policy on a case by case basis.

The Council will consider applications for a Discretionary Rate Relief “top up” based on a case by case basis. The principal consideration is that any Discretionary Relief is granted in the best interests of the taxpayers of Somerset West & Taunton Council and produces a local benefit as the Council must bear a percentage of the cost of any Relief granted. **However, it is Council policy that no Discretionary Relief will be awarded to National Charity Shops so they will only receive the 80% Mandatory Relief.**

Discretionary Relief will only be considered where the Rateable Value (RV) is up to and including £200,000(RV). Applications received where the (RV) is above this will be reviewed on a case by case basis and not immediately refused, although circumstances would need to be considered to be unique before relief is awarded. Relief will be capped at a maximum of 80% the gross business rates charge with a £200,000(RV), Somerset West Taunton Council recognises that one size doesn't fit all.

2.1 Rural Rate Relief

In all three scenarios listed below 100% Rural Rate Relief should be applied.

Autumn Statement 2016

The Autumn Statement confirmed that the Government will double Rural Rate Relief to 100% from 01/04/2017. Primary legislation will be changed from 01/04/2018 making this relief 100% mandatory for all qualifying businesses. To allow this relief to be paid in 2017/18 the government requested that Billing Authorities awarded the relief using s47. Compensation would be given via s31 grant.

Following the decision not to reintroduce the Local Government Finance Bill, for 2018/19 we expect local authorities to continue to use their local discount powers to grant 100% rural rate relief to eligible ratepayers, as they have done so for 2017/18. Local authorities will be compensated in full for their loss of income as a result of this change. This compensation will be paid by section 31 grant and calculated on the basis of the returns that councils make under the rates retention scheme.

The Council may award Rural Rate Relief to qualifying businesses in designated rural settlements (settlements identified with a population of less than 3,000). Qualifying businesses include Post Offices and Food Shops with a rateable value of less than £8,500 or the only Public House, or the only Petrol Filling Station in the designated rural settlements with a rateable value of less than £12,500.

Rural Settlements – Maintenance of Lists

It is further agreed that a review is undertaken of qualifying rural settlements 3 months before the new financial year begins. Further information to aid this process will have to be obtained from census records where possible. To help with the review information will be used from Electoral Registration to try and obtain population numbers. The populous of an area doesn't have age boundaries all are included in the 3000 population amount.

If it is found that the population is greater than 3000 and a business no-longer qualifies advice will be given on alternative reliefs that could be claimed. It would be assumed that in most cases the organisation/business would claim Small Business Rates Relief

Post Offices

Post Offices are an important component of many local communities, and particularly so in rural areas and qualifying Post Offices, in designated rural areas with an Rateable Value of less than £8,500 will receive 100% Rural Rate Relief.

Village Stores, Filling Stations, Public Houses and Village Halls

Village Stores with a rateable value of less than £8,500, and Filling Stations and Pubs with a rateable value of less than £12,500, will receive 100 % Rural Rate Relief.

It is Council policy that all "Village Halls" will be awarded 100% Discretionary Top-Up relief after any Mandatory Relief has been applied. No applications will be required.

Other Rural Businesses with Rateable Values under £16,500

Such businesses get no Mandatory Relief and can only be considered for Discretionary Rural Rate Relief each case is treated on its own merits by reference to the contribution and importance of the business to the local community.

A maximum of 80% Discretionary Rate Relief can be awarded the Council will assess all applications by using the scoring matrix shown in [Appendix A](#).

3. Charitable Organisations

Mandatory Rate Relief of 80% is granted to charities in the following circumstances:

Where the:

- Ratepayer of a property is a charity or the trustees of a charity;
and
- The property is wholly or mainly used for charitable purposes (including charity shops, where the goods sold are mainly donated and the proceeds are used for the purpose of the charity)

Registration under the Charities Act 1993 is conclusive evidence of charitable status. Bodies which, under the 1993 Act, are exempted from registration or are exempt charities are also eligible for Mandatory Relief.

It is agreed that in cases where a charity is in receipt of Mandatory Rate Relief of **80%** the Council will consider applications for a Discretionary Rate Relief “top up” on a case by case basis. If, but for an award of Mandatory Relief, a charity would qualify for 100% small business rate relief, Discretionary Rate Relief “top up” will be awarded at 100% of any remaining business rate bill. This only applies to local charities and not national charities, except for Citizens Advice Bureaux where 100% ‘top up’ will be granted.

The principal consideration is that any Discretionary Relief is granted in the best interests of the taxpayers of Somerset West & Taunton Council and delivers a local benefit as the Council must bear a percentage of the cost of any Relief granted Mandatory and or Discretionary at 44%.

However, it is Council policy that no Discretionary Rate Relief will be paid to National Charity Shops.

For a consistent approach the maximum of relief will be calculated as shown in [Appendix A](#).

4. Registered Community Amateur Sports Clubs (CASC's)

Mandatory Rate Relief of 80% is granted to registered CASC's.

To qualify as a CASC, the club must fulfil ALL of the following criteria. It must be:

- On the CASC register (<https://www.gov.uk/government/publications/community-amateur-sportsclubs-casc-registered-with-hmrc--2>)
- Open to the whole community
- Run as an amateur club
- A non-profit making organisation; and
- Aiming to provide facilities for, and encourage people to take part in, eligible sport

The Council will consider applications for a Discretionary Rate Relief “top up” from CASC's on a case by case basis. If, but for an award of Mandatory Relief, a CASC would qualify for 100% small business rate relief, Discretionary Rate Relief “top up” will be awarded at 100% of any remaining business rate bill. This only applies to local organisations not national companies, however, all applications will be looked at on a case by case basis.

The principal consideration is that any Relief is granted in the best interests of the taxpayers of Somerset West & Taunton Council and produces a local benefit as the Council must bear a percentage of the cost of any Relief granted at 44%. However, it should be noted that sports clubs and other organisations which run a bar will have this assessed along with other criteria. For a consistent approach on the maximum of **10%** Discretionary Rate Relief awarded the Council will assess all applications by using the scoring matrix as shown in [Appendix A](#).

5. Not for-profit making organisations including Community Interest Companies

Such organisations do not qualify for Mandatory Relief and can only be considered for Discretionary Relief each case is treated on its merits by reference to the contribution and importance of the business to the local community.

The main objectives of the organisation must be related to:

Relief of poverty, Advancement of Religion, Advancement of Education, Social Welfare, Science, Literature, Fine arts and Recreation or otherwise beneficial to the community.

A Community Interest Company (“CIC”) is a type of company, designed primarily for social enterprises that want to use their profits and assets for the public good. CIC’s are particularly attractive to those wishing to enjoy the benefits of limited company status and want to make it clear that they are established for the benefit of the community, but are not able, or do not wish to become charities. They vary in size from small community-based organisations to multimillion pound enterprises. CIC’s are relatively easy to set up, with all the flexibility and certainty of the company form, but with some special features which ensure that they work for the benefit of the community.

However, it should be noted that sports clubs and other organisations which run a **bar** will have this assessed along with other criteria.

It is agreed that the Council will consider applications for a Discretionary Rate Relief for ‘Not For-Profit’ Organisations and Community Interest Companies on a case by case basis. The principal consideration is that any Discretionary Relief is granted in the best interests of the taxpayers of Somerset West & Taunton Council and produces a local benefit as the Council must bear a percentage of the cost of any Relief granted of 44%.

Discretionary Relief will only be considered where the Rateable Value (RV) is up to and including £200,000(RV). Applications received where the (RV) is above this will be reviewed on a case by case basis and not immediately refused, although circumstances would need to be considered to be unique before relief is awarded. Relief will be capped at a maximum of 80% the gross business rates charge with a £200,000(RV), Somerset West Taunton Council recognises that one size doesn’t fit all.

For a consistent approach on the maximum of **80%** Discretionary Rate Relief awarded the Council will assess all applications by using the scoring matrix as shown in [Appendix A](#).

6. Hardship Relief (Section 49)

The Council has the power to reduce or remit the Business Rates charged in certain circumstances where the Ratepayer is enduring temporary financial difficulties, this is known as Hardship Relief.

The principal purpose of an award of Hardship Relief is to provide short term assistance to businesses that are suffering “exceptional” hardship arising from circumstances beyond the control and outside of the normal risks associated with running a business of that type to the extent that the viability of the business would be threatened if an award were not made. Applicants must have and be able to demonstrate they have investigated all other avenues of financial assistance prior to making a claim for Hardship Relief.

The Council may grant Hardship Relief if it is satisfied that:

- The Ratepayer would sustain financial hardship if the Council did not do so:
and
- It is reasonable for the Council to grant Relief, with regard to the interests of its residents and Council Tax payers

Hardship Relief will only be applied to the actual balance outstanding in the year the application was made.

No Hardship Relief can be awarded where payment has been made in part or full.

Hardship Relief is a temporary measure which can only be awarded once because it should not be used to artificially sustain a failing business. Hardship Relief may be awarded where the ratepayer is facing temporary financial difficulties and where the community would be significantly disadvantaged if the business were to close. The maximum award period is 12 months.

Applications for Hardship Relief must be accompanied by a full set of audited accounts relating to the two years preceding the date of application. Where audited accounts are not available for the current financial year, projected figures certified as being a 'true and fair view' by the company secretary or company accountants may be used. It is recommended that applicants submit audited accounts dating back further than two years, if such information is available.

For a consistent approach on the amount of Discretionary Rate Relief awarded the Council will assess all applications by using the scoring matrix as shown in [Appendix A](#)

Due to the nature of this relief Somerset West & Taunton Council will not apply the £200,000 (RV) restriction. When reviewing the application all current case law will be taken into account when assessing any award.

7. Section 44a Relief (partly occupied properties)

The Council has discretion under section 44a of the Local Government Finance Act to award Rate Relief where part of a property is unoccupied for a temporary period. The definition of 'temporary period' is not prescribed within the law and therefore Somerset West & Taunton Council has the discretion to decide the period of Relief to be awarded. The amount of Rate Relief that is awarded is determined by statute and is calculated by reference to the Rateable Value attributed to the unoccupied area by the Valuation Office Agency, part of Her Majesty's Revenue and Customs (HMRC).

Applications will only be considered in respect of unoccupied parts of a property and must be made within the year that the reduction was required. Clearly defined and are reasonably segregated from the occupied part of the property must be evidenced.

No award shall be made where it appears to the Council that the reason that part of the property is unoccupied is wholly or mainly for the purposes of applying for Rate Relief.

Rate Relief under this section will not be awarded in respect of partly occupied property where the partial occupation of the property may arise due to the ordinary day to day nature of the business (for example the operation of a warehouse).

The period of Relief will not exceed either 3 or 6 months depending on the type of property the claim has been made for, in line with the current legislation for part-occupied properties.

8. Backdating

Section 47 (7) of the Local Government Finance Act 1988 stipulates that a decision to grant relief for a specific day is invalid if it is made more than 6 months after the end of the financial year in which the day falls. This means that:

- Applications decided before 1 October can be backdated to the start of liability or 1 April of the previous financial year (whichever is the most recent)
- Applications decided after 30 September can only be backdated to the start of liability or 1 April of the current financial year (whichever is the most recent).

Where a backdated application is received, the customer will be required to produce evidence to prove the area was unoccupied for the period the relief relates to. Acceptance of such evidence is at the discretion of Somerset West & Taunton Council. A reason as to why the application wasn't made at the time of need must also be given.

Applications could be considered, for example, where the property is used for purposes which are of benefit to the local community but do not fall in any other categories for relief, and it would be in the interests of the Council Tax Payer to make an award, as the Council has to meet a percentage of the cost shown at [Appendix A](#). It could also be used to support regeneration projects within Somerset West & Taunton Council to bring empty properties back into use by way of 'staged occupation'.

9. Interaction of Relief Rules

S43 (8B) LGFA 1988 says that where the ratepayer qualifies for both charitable and small business rates relief then the chargeable amount is calculated using the formula for charitable relief not small business rates relief.

Interaction with other reliefs

Certain properties may be eligible for other types of relief. Under section 61(4) of the Local Government Act 2003:-

- If a property is eligible for charitable relief and small business rates relief , it shall receive charitable relief;
- If a property is eligible for rural rate relief and small business rates relief , it shall receive rural rate relief;
- If a property is eligible for all three reliefs it shall receive charitable relief

10. Temporary Measures (Fully Funded by Central Government)

Supporting Small Businesses

At the Spring Budget, the Chancellor announced that a scheme of relief would be made available to those ratepayers facing large increases as a result of the loss of Small Business or Rural Rate Relief.

The transitional relief scheme does not provide support in respect of changes in reliefs. Therefore, those ratepayers who are losing some or all of their Small Business or Rural Rate Relief may be facing very large percentage increases in bills from 1 April 2017

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 the greater of:

- a. a percentage increase p.a. of 5%, 7.5%, 10%, 15% and 15% 2017/18 to 2021/22 all plus inflation. Unlike the transitional relief scheme, for the first year of the scheme the percentage increase is taken against the bill for 31 March 2017 after small business rate relief or rural rate relief , or
- b. a cash value of £600 per year (£50 per month). This cash minimum increase ensures that those ratepayers paying nothing or very small amounts in 2016/17 after small business rate relief are brought into paying something.

Those on the Supporting Small Businesses relief scheme whose 2017 rateable values are £51,000 or more will not be liable to pay the supplement to fund Small Business Rate Relief while they are eligible for the Supporting Small Businesses Relief scheme.

Ratepayers remain in the Supporting Small Businesses relief scheme for either 5 years or until they reach the bill they would have paid without the scheme. A change of ratepayers will not affect eligibility for the Supporting Small Businesses Relief scheme but eligibility will be lost if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club

Revaluation Relief

In the Budget on 8 March, the Chancellor announced that the Government would make available a discretionary fund of £300 million over four years from 2017-18 to support those businesses that face the steepest increases in their business rates bills as a result of the revaluation. Local government is best placed to determine how this fund should be targeted and administered to support those businesses and locations within their area that are in the greatest need

The DCLG published a consultation on the design of the discretionary relief on 9 March, seeking views on the allocation of the fund, arrangements for compensation for local authorities, and the operation of local schemes. This can be accessed at: <https://www.gov.uk/government/consultations/discretionary-business-rates-relief-scheme>. Somerset West & Taunton Council proposed share of the £300m is as follows:

- 2017/18 - £148k
- 2018/19 - £72k
- 2019/20 - £30k

- 2020/21 - £4k

2. Other Reliefs -

Hereditaments eligible for charity or Community Amateur Sports Club relief or hereditaments which are unoccupied are not eligible for Supporting Small Businesses Relief. And, for the avoidance of doubt, small business rate relief or rural rate relief should not be applied to further reduce the bill found under Supporting Small Business Relief.

All other discretionary reliefs, including those funded by section 31 grants, should be considered after the application of Supporting Small Businesses Relief. Supporting Small Business Relief will be applied after the TR amount.

Pub Relief

On the 27 January 2020 government announced a new discount for pubs which takes effect from 1 April 2020 for 2020/21.

The pub discount will provide a £1,000 discount to eligible pubs with a rateable value of less than £100,000 in 2020/21. This is in addition to the retail discount and will apply after the retail discount has reduced the net charge.

The discount is subject to European State Aid de minimis rules. This bars a company from receiving more than €200,000 in State Aid across a rolling three year period.

See '**backdating**' for applications received outside of the financial year in which the relief was allowed to be paid.

Local Newspaper Relief

The Council has the discretion to discount business rate bills by up to £1,500 in 2017/18 2018/19 and 2019/20 for office space occupied by journalists and reporters of local newspapers.

This is a temporary measure to support local newspapers adapting to technological changes within the industry. The relief is only for local newspapers and will be delivered through local authority discretionary powers (under section 47(3) of the Local Government Finance Act.

There is a maximum of one discount for each local newspaper title and premises. The discount is subject to European State Aid de minimis rules. This bars a company from receiving more than €200,000 in State Aid across a rolling three year period.

This relief does not apply to:

Local council newspapers

On-line publications

Local Magazines

On the 27 January 2020 government announced local newspaper relief would be extended into 2020 and apply for 5 years, ending on 31 March 2025.

Retail Discount

We have the discretion to discount business rate bills by one third of the daily chargeable amount payable in 2019/20, for 20/21 this has been increased to 50% for retail premises with a rateable value of £50,999 or less. Retail premises must be occupied and wholly or mainly used to sell goods, services or food and drink to visiting members of the public.

As a guide, qualifying businesses may include:

Premises used to sell goods to visiting members of the public:

- Shops, for example, butchers, bakers, grocers, florists, greengrocers, jewellers, stationers, off-licences, chemists, newsagents, hardware stores
- Furnishing shops or display rooms (for example, carpet shops, double glazing, garage doors)
- Art galleries where art is for sale or hire
- Charity shops
- Opticians
- Car or caravan showrooms
- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Post offices

Premises used to provide the following services to visiting members of the public

- Hair and beauty services such as hairdressers, nail bars, beauty salons, tanning shops
- Shoe repairs or key cutting
- PC, TV or domestic appliance repair
- Ticket offices, for example for theatre
- Dry-cleaners or Launderettes
- Cinemas
- Car hire
- Funeral directors
- Travel agents
- Photo processing
- DVD or video rentals
- Tool hire
- Music Venues

Premises used to sell food and/ or drink to visiting members of the public:

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

These lists are not exhaustive as it is impossible to list the many and varied retail uses that exist. We will consider retail rate relief for businesses that are broadly similar to those above. As retail rate relief is discretionary, we may decide not to award it if doing so will be against our wider objectives for the local area.

Which properties will NOT benefit from retail business rate relief?

Premises not reasonably accessible to visiting members of the public, or those not wholly or mainly used for the qualifying purpose will not be eligible. The list below sets out the types of uses the Government does not consider being retail use for this relief.

- Financial services, for example banks, building societies, cashpoints, bureau de change, payday lenders, betting shops, pawn brokers
- Medical services such as vets, dentists, doctors, osteopaths, chiropractors
- Professional services such as solicitors, accountants, insurance agents, financial advisers, tutors
- Other services such as estate agents, letting agents, employment agencies
- Post office sorting office

If we decide premises are occupied by businesses broadly similar to those listed above, we will not award retail rate relief.

How much relief will be available?

Retail rate relief for each property in 2019/20 will be one third, from 1 April 2020 this will increase to 50% until 31 March 2021. We will assess eligibility and calculate relief on a daily basis. We will award retail rate relief to the net business rates bill after we have applied any other relief.

Ratepayers occupying more than one property will be entitled to relief for each of their eligible properties, subject to State Aid de minimis limits.

We must be satisfied that awarding discretionary rate relief will not result in a business receiving more than €200,000 of De Minimis aid. This will limit the scope for multi-site retailers to get this retail rate relief for all their shops, especially if their business already gets other forms of State Aid. For more information see:

<https://www.gov.uk/government/publications/state-aid-frequently-asked-questions>

Applications and review process

To enable the relief to be awarded quickly to businesses the Council will invite application by applying the relief and issuing adjustment notices. To retain the relief businesses **must** sign and return the state aide form, or make a declaration by using the online form. Relief will be awarded for the financial years, 2019/20 & 2020/21. Relief will be withdrawn in accordance with regulations should there be a change of circumstances that affect the relief awarded.

New applications for Retail Rate Relief should be made using through our website.

Appeal: Link to Appeals Section

11. State Aid

State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. However the Supporting Small Businesses relief scheme will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013)⁷.

The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a rolling three year period (consisting of the current financial year and the two previous financial years)

To administer De Minimis it is necessary for the local authority to establish that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid. Note that the threshold only relates to aid provided under the De Minimis Regulations

The Council will issue a declaration form with all awards of discretionary relief, failure to return will result in relief being removed.

12. Local Business Rate Discretionary Discount

Section 69 of The Localism Act 2011 amends Section 47 of the Local Government Finance Act 1988 and allows the Council to grant locally determined Business Rate Discounts (in addition to the already available Discretionary Rate Reliefs).

The new power recognises that the current business rates scheme is broadly prescribed by central government and its aim is to provide increased flexibility to local authorities to support organisations, recognising the variations in economic conditions across and within local authority boundaries.

Any ratepayer applying for a Local Business Rate Discount who does not meet the criteria for Discretionary Rate Relief under any other part of this policy, must meet all of the following criteria and any award will be based on these factors:

- The ratepayer must not be entitled to Mandatory Rate Relief (Charity or Rural Rate Relief)
- The Rateable Value must be less than £200,000 (RV)
- The ratepayer must not be an organisation that could receive relief as a non-profit making organisation or as Community Amateur Sports Club.
- The ratepayer must occupy the premises – no relief will be granted for unoccupied properties. The premises and the organisation must be of significant benefit to the taxpayers of Somerset West & Taunton Council.
- Provide facilities to certain priority groups such as elderly, disabled, minority or disadvantaged groups, and OR
- Provide significant employment or employment opportunities to residents of Somerset West & Taunton Council

- Provide residents of Somerset West & Taunton Council with such services, opportunities or facilities that cannot be obtained locally or are not provided by another organisation
- The ratepayer must show that the organisation will comply with all legislative requirements and operate in an ethical, sustainable and environmentally friendly manner at all times

Where a ratepayer can demonstrate that all of the above criteria are met, any award must have due regard to:

- the financial status of the applicant when determining the level of relief to be granted, and the impact and best interests of the Council Tax payers of Somerset West & Taunton Council
- It must be noted that the Council will only pay a maximum of **80%** relief, 100% relief will only be considered in the most exceptional circumstances and via the formal appeals process.

Relief will not be given to those organisations where a bar is the main activity. It would be expected that any bar profits would be used to offset any expenses thus negating the reliance on public funds.

12.1 Local Discretionary Relief for Young/New Businesses/Innovation Centres

There is an expectation that an occupier receiving discretionary relief on their business rates under this criteria would engage and work positively with West Somerset & Taunton Council on helping to support corporate priorities and bring benefits for residents and the local area. Before making the offer of relief, an initial meeting will be arranged between appropriate Council officers (with an economic development and regeneration focus) and the occupier to discuss how both parties can work together going forward to bring value and benefits for local residents

- A new Business in its first year of trading can receive rate relief of 60% in the first year or pro-rata of relief, 30% in second year, from year 3 a full charge would be due, unless agreed otherwise.
- The proposal is to treat communal or co-working space in premises designed for the incubation and growth of young businesses as first year start up space, providing 65% rates relief on such space.

Discretionary Relief will only be considered where the Rateable Value (RV) is up to and including £200,000(RV). Applications received where the (RV) is above this will be reviewed on a case by case basis and not immediately refused, although circumstances would need to be considered to be unique before relief is awarded. Relief will be capped at a maximum of 80% the gross business rates charge with a £200,000(RV), Somerset West Taunton Council recognises that one size doesn't fit all.

12.2 Community Library Partnerships

Where a Library has been set up as a Charity or Community Interest Company Somerset West and Taunton Council will award Mandatory Relief of 80% and 20% top up, as such no business rates would be payable.

As directed by regulation LGFA 1988 Regulation 47(9) should a Parish Council become a 'trustee' to the Library Somerset West and Taunton Council will award 100% relief.

<https://www.gov.uk/government/collections/community-libraries-good-practice-toolkit>

<http://somersetlibraries.co.uk/redesign/community-library-partnerships/>

<http://somersetlibraries.co.uk/wp-content/uploads/2018/10/Process-for-agreeing-and-establishing-Community-Library-Partnerships.pdf>

13. Organisations Receiving Funding from Somerset West & Taunton Council

Funding includes grants, contracts (including funding from joint commissioning arrangements between the Council and other public agencies) and discounted rent under a community building model lease.

The Council will use its discretion on a case by case basis to offer up to 80% relief to organisations receiving funding from the Council.

The case by case assessment for offering 80% relief to organisations that are funded by the Council will be based on the following information that will be requested on the application form, the Council reserves the right not to award any further relief if it feels the funding already received is sufficient.

1. Their funding arrangement with Somerset West & Taunton Council, including the date when the funding arrangement will come to an end, plus amount received.
2. To outline how the additional discretionary relief applied for would directly support and be reinvested in the activities or initiative that Somerset West & Taunton Council is funding the organisation to undertake
3. The social value for local residents and taxpayers

Discretionary Relief will only be considered where the Rateable Value (RV) is up to and including £200,000(RV). Applications received where the (RV) is above this will be reviewed on a case by case basis and not immediately refused, although circumstances would need to be considered to be unique before relief is awarded. Relief will be capped at a maximum of 80% the gross business rates charge with a £200,000(RV), Somerset West Taunton Council recognises that one size doesn't fit all.

14. Period of Relief

Where an application is successful, then the following will be notified in writing:

- The amount of relief granted and the date from which it has been granted;
- If relief has been granted for a specified period, the date on which it will end;
- The new chargeable amount;
- The details of any planned review dates and the notice that will be given in advance of a change to the level of relief granted; and
- All change in circumstances should be notified to the Authority

15. Applications

A Discretionary Rate Relief form must be completed at all times this can be found on our website at: (enter website address link) – (Firm step)

All completed application forms should be returned to Somerset West & Taunton Council, Deane House, Belvedere Road, Taunton, Somerset TA1 1HE or emailed to (insert when known/confirmed)

If a business is already receiving (or has applied for) other help from the Council such as a grant this may affect your Discretionary Rate Relief application this information must be included in the application form.

16. Approvals

Any Officer or Councillor involved in the decision-making process for Discretionary Rate Relief or Hardship Relief must declare if they have an interest in or an association with any ratepayer applying.

Upon receipt of the application form the initial assessment to award or refuse Discretionary Rate Relief will be made by a “nominated officer” and their recommendations must be agreed by a “senior nominated officer”

Applicants will be notified in writing of all decisions. A revised Business Rates bill will be issued with an awarding letter informing them of how much relief has been awarded and the dates the relief will be awarded between.

The applicant will be required to apply for further relief when the current period of relief expires

Approvals will not be required for reliefs given under ‘temporary measures’ a “nominated officer” will have the delegated authority to award relief as per local policy and the legal process. Any changes will also need to be approved via ‘executive order’ to bring them into the policy.

17. Appeals

There is no statutory right of appeal against a decision made by the Council in respect of Discretionary Rate Relief. However, a nominated officer, in consultation with the Portfolio Holder, will review the case where it is believed that the policy has not been applied correctly. The appeal meeting will be supported by either a “nominated officer” or “senior nominated officer”. Matters of policy and law will be confirmed by either of the a “nominated officers”

The applicant will be allowed to submit in writing additional or new information/evidence to support the application.

If an unsuccessful applicant requests an appeal, they will still need to continue to pay their business rates. Once the appeal has been heard, the ratepayer will be informed, in writing, of the decision.

Although the amount of relief is restricted to a maximum of **10%** 'top up' if receiving 80% Mandatory Relief and **80%** for Discretionary awards (non-funded), in very exceptional circumstances, **100%** Discretionary Rate Relief may be awarded. This would be assessed on a case by case basis and approved by a "nominated officer" supported by an Executive Member.

Every appeal for Discretionary Rate Relief must be supported by their ward Councillor via letter or email as part of the appeal process. This must be sent for the attention of the "nominated officer" taking ownership of the case.

The right of appeal process does not affect a ratepayer's legal right to challenge the decision by way of a Judicial Review.

18. Policy Review / Amendments

- The Council reserves the right to review the policy at any time.
- All new temporary measures will receive approval from Executive Members or as required by law.
- Reliefs paid under "temporary measures" will not require approval from a "nominated officer"
- Changes to this policy will be approved by an Executive Member

19. Communications

The Council will publicise this Discretionary Rate Relief Policy on the Website

20 Fraud

The Council is committed to reducing fraud in all its forms. An organisation which tries to fraudulently apply for discretionary rate relief by falsely declaring their circumstances, or providing a false statement or evidence in support of their application, may have committed an offence under the Theft Act 1968. Where we suspect that such a fraud may have occurred, the matter will be investigated in line with the Council's Anti-Fraud Strategy. This may lead to criminal proceedings being instigated.

Appendix A

One or more of the scoring matrixes, listed below, will be applied to each application:

- | | |
|--|---|
| 1 Reserves as a Percentage of Net Annual Rates | - up to 30% Discretionary Relief |
| 2 Licensed Bar | - up to 30% Discretionary Relief |
| 3 Net Profit | - up to 80% Discretionary Relief |
| 4 Local Community Test | - up to 50% Discretionary Relief |
| 5 Except in the case of National Charity Shops, where an organisation is receiving Mandatory Relief Of 80% and would have otherwise qualified for 100% Small Business Rate Relief | - Discretionary Relief up to 100% of the remaining business rate bill |

Failure to supply adequate records will result in no award

**** The absolute maximum award for 1 – 4 above is 80% even if the scores are greater ****

