

POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	Corporate Performance Panel		
DATE:	18 December 2017		
TITLE:	Non Domestic Rates Discretionary Relief Policy Update 1.4.2018		
TYPE OF REPORT:	Policy Development		
PORTFOLIO(S):	Resources		
REPORT AUTHOR:	Jo Stanton, Revenues and Benefits Manager		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	Yes

REPORT SUMMARY

PURPOSE OF REPORT

The Council is able to award Discretionary Relief to its ratepayers to reduce or remit their Non Domestic Rates (Business Rates) bill.

The Council must approve any awards of Discretionary Relief. This is achieved by having a Discretionary Relief Policy agreed by Members, allowing Officers to award reliefs where the policy criteria are met. For many years the Council has operated a Discretionary Relief policy that gives help to charitable, not for profit and sporting organisations, based in the borough and whose work benefits the local community.

The Discretionary Relief Policy has been updated on an ad hoc basis over the years and now lacks a logical flow. Some reliefs have also ended. The policy has now been reviewed and refreshed and this report contains the updated policy and notes the changes which have been made.

There are no changes to the existing criteria for receiving relief, or to any of the Discretionary Reliefs already awarded to local organisations. However delegated authority to the Council Leader is requested to decide any applications not meeting the criteria in the relief policy.

RECOMMENDATIONS:

The Panel agrees the changes and recommends to Cabinet that the new policy is adopted from 1 April 2018.

The Panel recommends to Cabinet delegated authority is given to the Council Leader to decide any applications not meeting the criteria in the relief policy.

REASONS FOR RECOMMENDATIONS:

To ensure an up to date Non Domestic Rates Discretionary Relief policy is in place.

REPORT DETAIL

1. Introduction

The Council is able to award discretionary relief to organisations in the Borough to reduce or completely remit their business rates bill. For many years the Council has operated a policy that gives help to local charitable, not for profit and sporting organisations whose work benefits the local community.

The Council currently awards discretionary relief to over 690 such organisations, reducing their rates bills by nearly £630,000. The relief is spread over different organisations as below:

Type	Number	Amount of Relief
Local Charitable / Sporting Organisations	186	£204,804
National Charitable Organisations	15	£10,734
Community Amateur Sports Clubs	3	£1,102
Rural Businesses, including Post Offices and Shops	94	£134,390
Revaluation Relief ¹	377	£225,109
Others ²	17	£51,524
Total	692	£627,663

The cost of some reliefs is met by Central Government. These are generally where a new relief is introduced and central government specify the criteria. Of the total cost, £339,173 is funded this way and there is no cost to the Council.

The remaining £288,490 is a reduction in the Council's business rates income. However many of these reliefs were already in place when the business rates retention scheme was introduced in April 2013 so have been taken into account in the Council's baseline. Only reliefs awarded after April 2013 directly impact on the council's income.

This report contains the updated and refreshed Non Domestic Rates Discretionary Relief Policy and details the changes made.

There are no changes to the existing criteria for receiving relief, or to any of the Discretionary Reliefs already awarded to local organisations.

2. Proposal

The current Discretionary Relief Policy applies from April 2014 and is included for information at Appendix B. Since then some government funded reliefs have ended and some have been superseded by changes to regulations by central government. Council has agreed delegated authority for certain reliefs but this is not yet reflected in the document. The current policy has become somewhat disjointed and lacking a logical flow, having been updated piecemeal over the years.

The policy is refreshed and updated for April 2018 and is attached at **Appendix A**. Obsolete reliefs are removed and minor changes made to the wording for some reliefs. The format and layout are tidied up and the different relief criteria presented more logically. Delegated authority for the Council Leader to decide any applications not meeting the criteria in the relief policy is also requested

¹ Fully funded by Central Government – approved by Council on 21 September 2017

² Some funded by Central Government

3. Changes to the Discretionary Relief Policy

The policy from April 2014 is attached at **Appendix B**. The following changes are made:

Section of 2014 Policy	Change	Reason
1-7 Charitable Organisations etc	Reordered	Changed to more logical order
8 – Sporting Organisations	Reordered / wording	Renumbered and wording clarified
9 – Post Offices	Removed	Superseded. Government have increased their mandatory rural rate relief to 100% from April 2017
10 – General Stores	Removed	Superseded. Government have increased their mandatory rural rate relief to 100% from April 2017
11 – Flood Relief	Removed	Ended in 2014
12 – Retail Relief	Removed	Ended in 2016
13 – Retail Reoccupation Relief	Removed	Ended in 2017
14 – Newly Built Empty Property Relief	Removed	Ended in 2017
16 – Individual Applications	Updated	Wording clarified and delegated authority for the Council Leader to consider applications
17 – Appeals	Updated	Clarified that appeals are to be heard by Cabinet
All	Wording	Wording clarified - shown in red text

Two new sections are added. One is for government funded Discretionary Reliefs reflecting the delegated authority agreed by full Council on 21 September 2017. The other is for Appeals. Notes accompanying the policy are also added at the end of the document.

4. Corporate Priorities

The Non Domestic Rates Discretionary Relief Policy supports Corporate Priority 2: Drive local economic and housing growth, as it supports local organisations.

5. Financial Implications

There are no financial implications as there are no changes to the criteria for any of the Discretionary Reliefs, and no new reliefs are added.

6. Any other Implications/Risks

None

7. Equal Opportunity Considerations

None

8. Consultation

None required

9. Conclusion

The revised policy is a refresh of the 2014 Discretionary Relief policy. Some sections have been tidied up and obsolete sections removed. There are no changes to the reliefs available or the relief criteria.

10. Background Papers

None.

Appendix A
NON-DOMESTIC RATES DISCRETIONARY RELIEF POLICY

1 APRIL 2018 ONWARDS

CHARITABLE, VOLUNTARY AND NOT FOR PROFIT ORGANISATIONS

Reliefs listed in order of precedence

1. Voluntary Bodies

20% discretionary charitable relief will be granted to **local**³ voluntary bodies which are registered as charities for the premises they occupy and who receive the 80% mandatory charitable relief.

10% additional discretionary relief will be granted to **national** voluntary bodies which are registered as charities for the premises they occupy and who receive the 80% mandatory charitable relief.

Applications from non-registered organisations in this category who do not qualify for mandatory charitable relief will be considered for discretionary charitable relief on an individual basis. Generally 100% discretionary charitable relief will be granted to local organisations and 90% discretionary charitable relief will be granted to national organisations.

2. Conservation and Cultural Organisations

20% discretionary relief will be awarded to registered charities already receiving the 80% mandatory charitable relief. 100% discretionary relief will be granted to non-registered charitable groups in this category who do not qualify for mandatory charitable relief. Premises will include:

- Museums
- Rehearsal rooms for bands or dramatic societies
- Premises occupied for preservation projects
- Premises occupied by Norfolk based wildlife groups

No discretionary relief will be allowed to nationally based groups

3. Village and Community Halls

20% discretionary relief will be awarded to registered charities already receiving the 80% mandatory charitable relief. 100% discretionary relief will be granted to non-registered charitable groups in this category who do not qualify for mandatory charitable relief.

In both cases where there is a fully licensed bar on the premises, no discretionary relief will be granted.

³ A local voluntary body is one that receives no support or funding from a nationally based 'parent' body

4. Young People's Activities

20% discretionary relief will be awarded where the organisation is a registered charity receiving the 80% mandatory charitable relief. 100% discretionary relief will be granted to organisations in this category not registered as charities and who do not qualify for mandatory charitable relief. This category excludes any premises occupied for sporting activities which are covered in sections 8-12.

5. Poster displays in shop windows

Where a charitable organisation uses a shop window to display their own promotional material and they become liable for non-domestic rates. Where they receive the 80% mandatory charitable relief an additional 20% discretionary charitable relief will be awarded where the following criteria are met:

- The charity is a locally based charity (as per the description in Section 3);
- Their occupation of the shop window for displaying posters is 4 weeks or less;
- Where the shop window is re-used for displays there is a break of at least one week between displays; and
- The total time a unit is used for displays does not exceed 16 weeks in any rolling 52 week period

This relief is effective from 1 April 2014.

6. Armed Forces Community Covenant: Organisations supporting Armed Forces Personnel and their Families

The National Armed Forces Covenant was published in May 2011. One of its key initiatives is the development of local Community Covenants. A Community Covenant is a voluntary statement of mutual support between the civilian community and the serving members, veterans and families of their local Armed Forces community.

A Community Covenant has been developed by Norfolk County Council and all Norfolk authorities have signed up.

20% discretionary charitable relief will be awarded to organisations receiving the 80% mandatory charitable relief. 100% discretionary relief will be awarded to charitable or non-profit organisations who do not qualify for the mandatory charitable relief and whose work supporting Armed Forces veterans and their families supports the Norfolk Community Covenant. This is effective from 1 April 2013.

7. Charity Shops

No discretionary relief will be allowed.

SPORTING ORGANISATIONS

8. Sports Grounds

100% discretionary relief will be awarded to organisations where the use of the premises is solely as a sports ground

9. Sailing Clubs, Boating Clubs, Water Sports and Fishing

25% discretionary relief will be awarded to organisations where the use of the premises is solely for the purposes of a sailing club, boating club, Water Sports Centre or fishing,

10. Bowls Clubs

100% relief will be awarded where there is no bar, or bar takings are less than £10,000.

75% relief will be awarded where bar takings exceed £10,000 but membership is more than 50% sporting.

50% relief will be awarded where bar takings exceed £10,000 and membership is equally split between social and sporting.

25% relief will be awarded where bar takings exceed £10,000 and membership is more than 50% social but there is an element of sporting membership.

11. Other Clubs (including Boxing Clubs)

100% relief will be awarded where there is no bar or bar takings are less than £10,000.

The existing policy provides for reliefs for the following specific clubs:

100% relief will be awarded to West Norfolk Squash Club.

80% relief will be awarded to West Norfolk Rugby Club.

12. Sports and Social Clubs

75% relief will be awarded where membership is more than 50% sporting.

50% relief will be awarded where membership is equally divided between sporting and social membership.

25% relief will be awarded where membership is more than 50% social but there is an element of sporting membership.

Sporting membership does not include indoor social sports.

OTHER BUSINESSES

13. Rural Businesses

Members will consider individual applications from organisations in rural settlements with a Rateable Value of less than £16,500. Applications from Public Houses will be subject to an annual review of their trading position and relief will only be awarded for 12 months at a time.

14. Hardship Relief

The Council operates a scheme for Hardship Relief for Non-Domestic Rates. A separate policy was agreed by Members on 4 June 2013.

15. Government Funded Discretionary Reliefs

Delegated authority is given to the Council's s151 Officer, in consultation with the Leader of the Council, to agree any Non Domestic Rate Relief schemes where the eligibility criteria are specified by Central Government and the cost is met in full by Central Government through a Grant. These schemes will be set up and administered as announced and in line with central government requirements.

16. Individual Applications

Applications will normally be considered within the Council's criteria, however, individual applications not fitting the criteria can be submitted on an individual basis for consideration by the Leader of the Council.

17. Appeals

Where any organisation or individual is dissatisfied with the outcome of their relief application they may ask for their application to be reconsidered on an individual basis by the Council's Cabinet.

NOTES TO ACCOMPANY POLICY

This Discretionary Relief policy applies to reliefs awarded under s47 Local Government Finance Act 1988.

This Policy was agreed by Full Council on xxxxxx

This Policy applies from 1 April 2018. Previous policies, and the reliefs contained in them, are still applicable for the dates they are shown as being in force.

Appendix B

NON-DOMESTIC RATES DISCRETIONARY RELIEF POLICY

S47 Local Government Finance Act 1988

1 APRIL 2014 ONWARDS

As agreed by Full Council 25 September 2014

1. Conservation and Cultural Organisations

100% discretionary relief will be granted to non-registered charitable groups in this category, and a 20% additional relief to registered charities. Premises will include:

- Museums
- Rehearsal rooms for bands or dramatic societies
- Premises occupied for preservation projects
- Premises occupied by Norfolk based wildlife groups

No discretionary relief will be allowed to nationally based groups.

2. Village and Community Halls

100% discretionary relief will be granted to non-registered charitable groups and 20% additional relief to registered charities in this category where there is no fully licensed bar on the premises.

Where there is a fully licensed bar on the premises, no discretionary relief will be granted.

3. Voluntary Bodies

20% additional discretionary relief will be granted to **local** voluntary bodies which are registered as charities for the premises they occupy.

10% additional discretionary relief will be granted to **national** voluntary bodies which are registered as charities for the premises they occupy.

(NB a local charitable body is one that receives no support or funding from a nationally based 'parent' body)

Applications from non-registered organisations in this category will be considered for discretionary relief on an individual basis. Generally 100% discretionary relief will be granted to local organisations and 90% additional relief will be granted to national organisations.

4. Armed Forces Community Covenant: Organisations supporting Armed Forces Personnel and their Families – effective from 1.4.2013 New

The National Armed Forces Covenant was published in May 2011. One of its key initiatives is the development of local Community Covenants. A Community Covenant is a voluntary statement of mutual support between the civilian community and the serving members, veterans and families of their local Armed Forces community.

A Community Covenant has been developed by Norfolk County Council and all Norfolk authorities have signed up.

20% Discretionary Charitable Top-Up Relief, or 100% 'Not for Profit' Discretionary Relief, will be awarded to charitable or non-profit organisations whose work supporting Armed Forces veterans and their families supports the Norfolk Community Covenant. This is effective from 1 April 2013.

5. Charity Shops

No discretionary relief will be allowed.

6. Poster displays in shop windows New

Where a charitable organisation uses a shop window to display their own promotional material and they become liable for non-domestic rates they will usually qualify for 80% Mandatory Relief. Where this is the case an additional 20% top up relief will be awarded where the following criteria are met:

- The charity is a locally based charity (as per the description in Section 3);
- Their occupation of the shop window for displaying posters is 4 weeks or less;
- Where the shop window is re-used for displays there is a break of at least one week between displays; and
- The total time a unit is used for displays does not exceed 16 weeks in any rolling 52 week period

This relief is effective from 1 April 2014.

7. Young People's Activities

100% discretionary relief will be granted to organisations in this category not registered as charities, and 20% additional relief where the organisation is a registered charity. This category excludes any premises occupied for sporting activities.

8. Sporting Organisations

(a) Sports Grounds

100% discretionary relief

(b) Sailing/Boating/Boating Clubs/Water Sports/Fishing

25% discretionary relief.

(c) Bowls Clubs

100% relief where there is no bar, or bar takings are less than £10,000.

75% relief where bar takings exceed £10,000 but membership is mainly sporting.

50% relief where bar takings exceed £10,000 and membership is equally split between social and sporting.

25% relief where bar takings exceed £10,000 and membership is mainly social but there is an element of sporting membership.

(d) Other Clubs (including Boxing Clubs)

100% relief where there is no bar or bar takings are less than £10,000.

100% relief to West Norfolk Squash Club.

80% relief to West Norfolk Rugby Club.

(e) Sports and Social Clubs

75% relief where membership is mainly sporting.

50% relief where membership is equally divided between sporting and social membership.

25% relief where membership is mainly social but there is an element of sporting membership.

Sporting membership does not include indoor social sports.

9. Sole Rural Post Offices

50% discretionary relief is awarded where a Post Office qualifies for 50% mandatory relief.

10. Sole Rural General Stores

30% discretionary relief is awarded where a General Store qualifies for 50% mandatory relief.

11. Flood Reliefs New

100% relief will be awarded for up to three months to businesses adversely affected by the December 2013 floods who meet the following criteria:

- For any day between 1 December 2013 and 31 March 2014:
 - The property has been flooded in whole or in part as a direct result of the adverse weather conditions;
 - The business activity undertaken there has been adversely affected as a result of the flooding;
 - The property was occupied at the time of the flooding;
 - The rateable value is less than £10 million, and
 - The relief will not breach State Aid rules

The definition of 'Flood' is shown at Appendix A

An application process is in place but where the Council is satisfied the relief should be granted it will automatically be awarded.

As agreed by full Council on 24 April 2014.

12. Retail Relief New

A maximum £1,000 discount will be awarded to properties wholly or mainly used as a shop, restaurant or drinking establishment who meet the following criteria:

- The property must be occupied;
- The rateable value is £50,000 or less;
- The property is wholly or mainly used as a shop, café or drinking establishment; and
- The relief will not breach State Aid rules

There are no criteria as to the locality of a property and businesses need not be in a town centre or 'high street' type of location to qualify. The definition of 'Retail' is shown at Appendix B.

An application form must be completed to confirm the ratepayer does not breach State Aid limits.

The relief applies for 2014/2015 and 2015/2016 and will be awarded after all other reliefs have been applied.

As agreed by full Council on 24 April 2014.

13. Retail Reoccupation Relief New

50% relief will be awarded for a maximum of 18 months to businesses who occupy retail premises which were previously empty for more than one year who meet the following criteria:

- The property must be a retail premises;
- The property must have been empty for more than one year; and
- The relief will not breach State Aid rules

There are no criteria as to the locality of a property and businesses need not be in a town centre or 'high street' type of location to qualify. The definition of 'Retail' is shown at Appendix B.

An application form must be completed to confirm the ratepayer does not breach State Aid limits.

The relief applies for 2014/2015 and 2015/2016.

As agreed by full Council on 24 April 2014

14. Newly Built Empty Property Relief New

100% relief will be awarded to empty newly built non-domestic properties for up to 18 months after they are completed (subject to State Aid limits).

The relief applies to new properties completed between 1 October 2013 and 30 September 2016 whilst they remain empty.

As agreed by full Council on 28 November 2013

15. Other Rural Businesses

Members will consider individual applications from organisations in rural settlements with a Rateable Value of less than £16,500. Applications from Public Houses will be subject to an annual review of their trading position and relief will only be awarded for 12 months at a time.

16. Hardship Relief New

The Council operates a scheme for Hardship Relief for Non-Domestic Rates. A separate policy was agreed by Members on 4 June 2013.

17. Individual Applications

Applications will normally be considered within the Council's criteria, however, individual applications not fitting the criteria will be submitted on an individual basis, and where any organisation is dissatisfied they may ask for their application to be considered on an individual basis.