

## **1 Discretionary Business Rates relief**

### **1.1 Legislation**

The Council has statutory powers for the granting of mandatory and discretionary rate relief under the Local Government Finance Act 1988, and the Localism Act 2011. The list of regulations is not exhaustive and regulations may be amended. This policy is subject to the most up to date legislation as enacted by the UK Parliament.

The Localism Act 2011 permits the granting of discretionary relief to any premises where the Council believes that the granting of such relief would be of benefit to the local community. The provisions are designed to give the Council flexibility in granting discretionary Business Rates relief where it would be of benefit generally to the area and be reasonable given the financial effect to Council Taxpayers.

Business Rate payers will need to ensure compliance with the UK's subsidy control regime established by the Subsidy Control Act 2022 and will not be able to receive any more than the de minimis levels which are set by the legislation.

This policy sets out the Council's position as to how it will deal with discretionary Business Rates relief under the Localism Act 2011. These regulations may not be exhaustive.

### **1.2 Overarching principles for all types of discretionary rates relief**

1. The principle consideration is that any relief is in the best long-term interests of the Council Tax payers of Woking Borough Council as a whole because the Borough Council, Surrey County Council and central Government bear the cost of any relief granted.
2. The use of the property must contribute to one or more of the Council's key strategies as contained in the Council's current Corporate Plan, which may be updated from time to time.
3. Additional principles may apply to specific types of discretionary rate relief.
4. Each application will be considered on its own merits.

## **2 Discretionary rates relief (for charities, community amateur sports clubs (CASCS) and not for profit organisations)**

### **2.1 Additional principles**

1. The policy applies to registered charities and CASCS. Any Organisations which are set up for charitable or amateur sports purposes, but not officially registered as such, must explain why they are not registered as charities or CASCS. Discretionary rate relief to any unregistered organisation will only be offered in extenuating circumstances, if there is an evidence based, proven business case.

### **2.2 Definitions**

Charity – an institution or other organisation established for charitable purposes only, or any persons administering a trust established for charitable purposes only.

Organisations established or conducted as not for profit, whose main objectives are charitable, philanthropic, religious or concerned with education, social welfare, science, literature or the fine arts, will also be considered. Relief will only be awarded in exceptional circumstances.

Community amateur sports club (CASCS), which are not for profit.

## 2.3 Criteria

Properties considered for discretionary rate relief	Relief type	Amount of relief
1) Occupied property that is wholly or mainly used for charitable purposes which is: <ul style="list-style-type: none"> <li>a) occupied by a charity, or</li> <li>b) a charity shop selling mainly donated goods, or</li> <li>c) certain not for profit organisations, as defined in 2.2, or</li> <li>d) occupied by a registered community amateur sports club (CASC)</li> </ul>	a) Mandatory b) Discretionary	80%  Up to a further 20%

## 2.4 Applications and decisions

1. Applications should be made promptly, but as long as applications are made in good time to allow a decision to be made before the end of September in the current year, they will be applied from the beginning of the previous financial year if appropriate.
2. Applications will be considered after receipt of a completed application form. Supporting information should be attached when requested.
3. There must be a good reason why a not-for-profit organisation is not registered, or considered, as a charity or CASC.
4. Applications will be considered by a panel chaired by the Council's 151 Officer and consisting of a Finance Manager, Revenues Manager, Revenues Team Leader or Recovery Team leader. The panel will meet annually and more frequently when required.
5. Notification about the outcome of the decision will be provided in writing, or via email, within 14 days of the decision being made.
6. Business Rates remain due and payable while a decision is pending.

## 2.5 Award period

1. Applications for less than 20% but more than £5,000 discretionary relief must apply annually. Continuation of relief will be subject to reapplication or review.
2. Applications for less than 20% and less than £5,000 discretionary relief will be required to apply every three years. Continuation of relief will be subject to reapplication or review.

## 2.6 Allocation of the relief

If an account is in credit after the award, it will be transferred to debts on other bills or accounts. Any remaining credit will be offered as a refund, at the Council's discretion.

## 3 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 Council Tax payers.

Applications for Hardship Relief may be considered from ratepayers whose business are at risk of ceasing to trade and this would have a detrimental effect on the local community, which could include local employment.

Every case will be considered on its own merit, and the Council will have particular regard to evidence of exceptional circumstances to justify a reduction.

### **3.1 Additional principles**

1. Awarding the relief should be the exception rather than the rule and will be time limited.
2. Any reduction will be short term assistance and should not be considered to be a means of reducing rates liability in the longer term.

### **3.2 Definitions**

Hardship is not limited to financial hardship. Relief may be granted where a ratepayer would sustain hardship if the relief was not granted and it is reasonable to do so.

### **3.3 Criteria**

1. A trading loss or evidence of new competition does not in itself prove hardship.
2. As a rule, the business should be the only one of its type, providing a unique service and its loss would severely diminish employment and/or amenities if it ceased to trade.
3. The Council is not obliged to take account of hardship resulting from imprudence of the ratepayer.
4. Each application will be considered on its own merits.

### **3.4 Applications and decisions**

1. Applications should be made promptly, but as long as applications are made in good time to allow a decision to be made before the end of September in the current year, they will be applied from the beginning of the previous financial year if appropriate.
2. Applications will be considered after receipt of a completed application form. Supporting information should be attached when requested and must include information that demonstrates hardship. This includes:
3. Details of the reason for an application, including evidence of any exceptional circumstances
4. Details of the business and its importance to the local community
5. Copies of the last 2 years audited accounts, maybe requested
6. Nature of the hardship
7. Other evidence that the rate payer feels supports their application
8. Details of the number of people who are employed locally by the business or organisation, and the number who reside in Woking, if known.
9. Evidence of failure to achieve reasonable return on capital.

Applications will be considered by a panel chaired by the Council's 151 Officer and consisting of a Finance Manager, Revenues Manager, Revenues Team Leader or Recovery Team leader. The panel will meet annually and more frequently when required.

Notification about the outcome of the decision will be provided in writing, or via email, within 14 days of the decision being made.

Business Rates remain due and payable while a decision is pending.

### 3.5 Award period

1. Awards will be from the start of the municipal financial year (1 April), or the liability start date if later.
2. Applications must be made annually.

### 3.6 Allocation of the relief

If an account is in credit after the award, the Council will transfer the credit to debts on other bills or accounts of the recipient. Any excess credit may be offered as a refund, at the Council's discretion.

## 4 Discretionary rate relief (for partially occupied properties)

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, the Council has discretion in certain cases to award relief in respect of the unoccupied part.

### 4.1 Additional principles

1. Relief will only be offered in extenuating circumstances if there is an evidence based, proven business case.

### 4.2 Criteria

Relief will only be considered for properties which are partially occupied for a short period of time. Successful applicants will be eligible for empty rates relief for the empty part.

The Valuation Office Agency will provide revised rateable values for the occupied and empty parts of the property for successful applicants.

Favourable consideration will be given to (but not limited to)
<ol style="list-style-type: none"> <li>1. To accommodate a staggered move into or within the Borough</li> <li>2. Where fire flood or other disaster prevents full use of the property</li> </ol>
Favourable consideration will not be given to (but not limited to)
<ol style="list-style-type: none"> <li>1. For consecutive periods</li> <li>2. For businesses moving out of the Borough</li> <li>3. Where the unoccupied area is subject to maintenance, modernisation or other building works</li> </ol>






### 4.3 Applications and decisions

1. Applications should be made promptly, but as long as applications are made in good time to allow a decision to be made before the end of September in the current year, they will be applied from the beginning of the previous financial year if appropriate.
2. Applications will be considered after receipt of a completed application form. Supporting information should be attached when requested. This includes:
3. Detailed plans which outline the whole property and indicate which areas are occupied and which are empty.
4. Details of the planned period of time, that the property will be partially occupied.

5. Details of future intentions.
6. Details of the cause for the part occupation.

A site visit may be undertaken by an officer from the Business Rates Team.

Successful applications will be referred to the Valuation Office Agency, who will provide a certificate which apportion the value of the occupied and empty parts.

Applications will be considered by the Revenues Manager whose decision is final.

Notification about the outcome of the decision will be provided in writing, or via email, within 14 days of the decision being made.

Business Rates remain due and payable while a decision is pending.

#### **4.4 The award period**

Empty rates relief will apply for the empty area, which will usually last for a maximum of six months for industrial properties or three months for other property types.

#### **4.5 Allocation of the relief**

If an account is in credit after the award, the Council will transfer the credit to debts on other bills or accounts of the recipient. Any excess credit will be offered as a refund at the Council's discretion.

### **5 Other discretionary rate relief**

#### **5.1 Criteria**

Applications for discretionary relief can be considered for reasons not specified elsewhere in this document. Awards will only be granted in exceptional circumstances, where there is an evidence based, proven business case.

#### **5.2 The application and decisions**

Applicants will need to explain how the award of the relief will benefit the long-term interests of Council Tax payers in Woking Borough Council and what makes their circumstances exceptional.

1. Applications should be made promptly, but as long as applications are made in good time to allow a decision to be made before the end of September in the current year, they will be applied from the beginning of the previous financial year if appropriate.
2. Applications will be considered after receipt of a completed application form. Supporting information should be attached when requested.
3. Applications will be considered by a panel chaired by the Council's 151 Officer and consisting of a Finance Manager, Revenues Manager, Revenues Team Leader or Recovery Team leader. The panel will meet annually and more frequently when required.
4. Notification about the outcome of the decision will be provided in writing, or via email, within 14 days of the decision being made.
5. Business Rates remains due and payable while a decision is pending.

#### **5.3 Award period**

1. Awards will be from the start of the financial year the application is made.
2. Applications must be made annually.

#### **5.4 Allocation of the relief**

If an account is in credit after the award, the Council will transfer the remaining credit to debts on other bills or accounts of the recipient. Any excess credit will be offered as a refund at the discretion of the Council.