

Peterborough City Council Discretionary Rates Relief Policy Effective from 1st April 2024

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1. Introduction

- 1.1. Peterborough City Council (PCC) is committed to correctly administering the award of Discretionary Rate Relief (DRR) to organisations within the Peterborough City area.
- 1.2. Under the Local Government Finance Act 1988 (as amended) (LGFA) and Non Domestic Rating (Unoccupied Property) (England) Regulations 2008 SI 2008/386, there are 5 areas of discretionary rate reliefs available to Peterborough City Rate Payers. These are:-
 - a) Discretionary Rate Relief (Charities and Not for Profit Organisations);
 - b) Relief for Partly occupied premises.
 - c) Reductions/Remissions on the grounds of Hardship
 - d) Relief to support Localism
 - e) Other uses of discretionary powers under s47 of the LGFA 1988
- 1.3. Whilst every application will be considered on its own merits, the Council will from time to time produce guidelines to assist ratepayers.

2. Statement of Objectives

- 2.1. The guidelines have the following objectives:
 - To make the application process simple for organisations and give the clearest possible guidance as to what will be considered with regard to an application.
 - To consider each application on its merits.
 - To be equitable and fair and balance the wider interests of the community within the resources made available arising from Business Rates Baseline funding.
 - To make decisions based on objective criteria and organisations' suitability for Discretionary Rate Relief
 - To ensure officers give due time and attention to processing applications which is proportionate to the complexity and level of relief.
 - To ensure that the process and decision making is as efficient as possible.
 - To have regard to the relevant Central Government guidance when making decisions.
 - To have regard to the restrictions applicable in terms of State Aid/Subsidy Control limitations
 - To consider how the applicant's activities supplement or advance the Council's Corporate

3. Reliefs

Discretionary Rate Relief [Charities and Not for Profit organisations] (DRR)

- 3.1. The conditions to be satisfied before PCC can consider an application for this relief are detailed in the LGFA 1988 under s47 and relevant Schedules. These are either of the following:-
 - a) The rate payer is a charity or trustees of a charity, **and** the property is wholly or mainly used for charitable purposes; or
 - b) The hereditament (property) is not an excepted hereditament (i.e. the rate payer is not the billing authority or precepting authority) and all or part of the property is occupied for the purposes of one or more institutions none of which is established or conducted for profit **and** each of whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts.
- 3.2. For each of the above the Council may make the decision only if it is satisfied that it would be reasonable to do so having regard to the interests of PCC council taxpayers.
- 3.3. The detailed guidelines (annex A) to assist with applying for DRR will remain published on the Council's website.

Relief for partly occupied premises (S44A Relief)

- 3.4. S44A of the LGFA enables PCC to grant relief on a hereditament that is partly unoccupied or not fully occupied for a temporary period only.
- 3.5. The granting of this relief is entirely under the discretion of PCC and each case will be considered on its merits and be referenced to the interests of Peterborough City Council tax payers.
- 3.6. The amount of reduction in rates is determined by statute and is calculated by reference to the rateable value ascribed to the unoccupied area by the Valuation Office Agency.
- 3.7. Applications will only be considered in respect of unoccupied parts of a property that can be clearly defined and are reasonably segregated from the occupied part of the property.
- 3.8. The detailed guidelines to assist with applying for S44A relief will remain published on the Council's website.

Reductions/Remissions on the grounds of Hardship

- 3.9. The conditions to be satisfied before PCC can consider an application for this relief are detailed in the LGFA under s49. These are that:-
 - a) The rate payer would sustain hardship if the Authority did not do so, and
 - b) It is reasonable for the Authority to do so, having regard to the interest of persons subject to its council tax.

- 3.10. Since hardship relief is at least partially funded by the Council Tax payers, the interests of these Council tax payers will be paramount in making a determination. It is therefore expected that such awards will be only considered appropriate in exceptional situations.

Relief to promote localism

- 3.11. S47 of the LGFA allows the Authority to offer business rate discounts to help attract firms, investment and jobs to the local area. Each case will be considered on its merits and be referenced to the interests of Peterborough City Council Tax payers.
- 3.12. Such relief will only be awarded in highly exceptional circumstances, where the benefit to PCC and the community are significant.

Other uses of discretionary powers under S47 LGFA 1988

- 3.13. From time to time, additional measures are proposed by the Chancellor of the Exchequer / Secretary of State to provide assistance to business. These can be either national schemes or locally defined schemes which are drawn up by PCC. They are provided under s47 of the LGFA 1988.
- 3.14. Where the Government puts in place a scheme whereby the Council will be fully compensated for the loss of rates yield arising from an award of discretionary rate relief, awards of relief shall be made in accordance with the Council's interpretation of the guidance associated with the scheme unless there is a decision of the Council to the contrary.
- 3.15. Detailed guidance will be produced for any such schemes and made available on the Council's website.

4. Length of award

Discretionary Rate Relief (Charities and other Organisations)

- 4.1. All awards of Discretionary Rate Relief (Charities and other Organisations) will be granted on an annual basis.
- 4.2. Where relevant and wherever practicable, PCC will attempt to notify each current ratepayer in receipt of DRR reminding them of the need to apply for the coming financial year.

Hardship Relief

- 4.3. All awards for remission/reduction on the grounds of hardship are granted for short, fixed periods and for no longer than the period where there is clear evidence of hardship.

Partly Occupied properties

- 4.4. All awards for relief due to partly occupied premises will be given for a short time only and only

where there is clear evidence of partial occupation. Awards of Section 44a relief shall end at the earliest occurrence of one of the following:

- a) The end of the statutory period for which relief may be allowed;
- b) The end of the financial year;
- c) All or part of the unoccupied area becoming occupied;
- d) The whole of the property becoming unoccupied;
- e) The ratepayer ceasing to be the person or organisation liable to pay non-domestic rates in respect of the property;
- f) Where all or part of the unoccupied area has remained unoccupied for one year;
- g) The commencement of a further award in respect of the property;
- h) The Council is unable to verify, following reasonable notice, that the area remains unoccupied.

Other Discretionary reliefs under s47

- 4.5. Any other awards using s47 powers will be up to the maximum period of time stipulated by central government or the locally defined scheme.

5. State Aid / Subsidy Control

- 5.1. Discretionary rate relief shall not be awarded in any circumstances where it appears that an award will result in the rate payer receiving state aid / subsidy that is above the current de minimis level.
- 5.2. It is the duty of the applicant to notify the Council if it believes an award will breach the State Aid / Subsidy Control limits.

6. Application process

Discretionary Rate Relief (Charities and other Organisations)

- 6.1. Where required, each applicant will complete an application form, which has questions designed to assess the benefit of granting relief to Peterborough City Council Tax payers. This in turn will aid determination of the level of award to be granted.

Hardship Relief / Partly Occupied premises / Relief to promote localism

- 6.2. Application should be made in writing to the Business Rates section of PCC. The details contained with each application will be set out in guidance, which will be made available on PCCS website.

Other awards under s47

- 6.3. Application should be made in accordance with the guidance provided by central government at the time or in line with the locally defined application procedures, which will be made available on PCCs website.

7. Delegation, Determination & Award

- 7.1. The Cabinet Member for Finance has delegated responsibility for determining decisions in relation to Discretionary Rates Relief. With the consent of the leader this responsibility can be delegated to an Officer of the Council. If such delegation occurs, the Officer of the Council will be the Executive Director of Corporate Services (Section 151 Officer) or the Service Director (Deputy S151 Officer).
- 7.2. For all reliefs, PCC reserves the right to refuse an application if all information requested has not been submitted. This may include full financial information.
- 7.3. Applicants will be notified, either by receiving a revised demand showing the reliefs awarded, or in writing detailing reasons for non-awards.
- 7.4. Unless otherwise agreed, ratepayers are required to continue to pay, in accordance with the latest demand notice, pending the outcome of an application.

8. Awards for retrospective periods.

- 8.1. From 1 April 2024 there is no restriction in legislation on the backdating of relief following an application for 2024/25 onwards. However, applications for periods beyond six months after the year to which they relate will only be considered where the Council considers there to have been exceptional circumstances, and where the ratepayer can demonstrate good cause for not submitting the application earlier; such as where the hereditament did not exist in the list but is retrospectively added, creating a back-dated liability.
- 8.2. Additionally, applications for other reliefs awarded using s47 powers may be considered where the ratepayer meets the relevant criteria.
- 8.3. Where the application is on the grounds of hardship an award may be made for a respective period where it is considered that the business suffered hardship during that period, but consideration will be given to the effort made by the ratepayer to pay during that period.
- 8.4. No consideration shall be given to an award for a retrospective period where PCC is not able to verify to its satisfaction that the circumstances giving rise to the application pertained for that period.

9. Appeals

- 9.1. There is no statutory right of appeal against the refusal to award relief.
- 9.2. An applicant may request a review of the decision but only where either:
- Additional information that is relevant to the application and was not available at the time the decision was made becomes available; or

- There are good grounds to believe the application or supporting information was not interpreted correctly at the time the decision was made. A request for a review must be made within 28 days of notification of the decision and must set out the reasons for the request and any supporting information.

10. Monitoring

- 10.1. Awards of Discretionary Rate Relief will be monitored to ensure that the guidelines have been followed and that awards are made within the guideline's objectives. PCC will monitor the financial implications of awarding relief.

Annex A- Discretionary Rate Relief Guidelines

1. Introduction

- 1.1. The following are guidelines used by Peterborough City Council (PCC) when assessing individual applications for discretionary rate relief (including applications from Charities, Community Amateur Sports Clubs (CASC's), Non-Profit Making Organisations and other businesses situated within Peterborough.
- 1.2. The PCC Discretionary Rate Relief 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.
 - The financial cost to council taxpayers.
 - How the applicant's activities supplement or advance the Council's Strategic Objectives
- 1.3. It should be noted that these are only guidelines and other areas may be considered in the determination of whether or not to grant discretionary rate relief and the level of any relief for each individual application. These guidelines are intended to assist ratepayers in making applications to understand the basis of PCCs considerations and each application will always be considered on its individual merits.
- 1.4. As with all discretionary reliefs, there is no guarantee that the application will be approved. Therefore, you **must not** withhold any payments due for your Business Rates pending the outcome of your application, and should continue to pay in accordance with your most recent notice, including any costs incurred. Failure to do so will result in recovery action being taken against you.
- 1.5. If an award is made on an account where payments have been made, any subsequent credit that occurs will be refunded to the ratepayer or transferred to cover other outstanding liabilities as appropriate. Costs will not be cancelled or refunded, except in exceptional circumstances.
- 1.6. From 1 April 2024 there is no restriction in legislation on the backdating of relief following an application relating to the 2024/25 charge period onwards. Whilst all applications will be considered, awards for periods beyond six months after the year to which they relate will only be considered where the Council considers there to have been exceptional circumstances, and where the ratepayer can demonstrate good cause for not submitting the application earlier, such as where the hereditament did not exist in the list but is retrospectively added after six months beyond the year to which it relates, creating a back-dated liability.
- 1.7. For clarity, it is unlikely that a delay to obtain advice / representation, delayed awareness of the existence of the relief or administrative delays by the ratepayer would be considered 'exceptional circumstances'.
- 1.8. In the last two quarters prior to issuing Annual Demand Notices for the next financial year, the Council will review current awards on a risk basis. For the vast majority of applicants, a desktop only exercise will be undertaken. Others will be contacted to provide confirmation of the current situation, and some will be required to submit a

fresh application. Which situation applies will be based on assessment of risk by the Council.

2. General criteria relevant to all applications

2.1. The Council will consider all applications in relation to how the organisations supplement or advance the Council's Strategic Objectives, which are:

- **Drive growth, regeneration and economic development**
 - *To bring new investment and jobs*
 - *To support people into work and off benefits*
 - *To boost the city's economy and the wellbeing of all people*
- **Improve educational attainment and skills**
 - *To allow people to seize opportunities of new jobs and university provision*
 - *To keep talent and skills in the city's economy*
- **Safeguard vulnerable children and adults**
- **Implement the Environment Capital agenda**
 - *To position Peterborough as a leading city in environmental matters*
 - *To reduce the city's carbon footprint*
- **Support Peterborough's culture and leisure trust Vivacity**
 - *To deliver arts and culture to all people*
- **Keep all our communities safe, cohesive and healthy**
- **Achieve the best health and wellbeing for the city**

2.2. National or large-scale organisations already receiving 80% mandatory relief are likely to only receive discretionary relief top up where:

- The Council considers that the value of the service to residents of the council and local communities exceeds the amount of the discretionary relief requested, and
- The work undertaken from the property named in the application for relief directly caters for the needs of residents of the council and benefits local communities and;
 - it provides a valuable service to the community which is complimentary to those services provided by the council or;
 - the service it provides relieves the council of the need to provide that service.

2.3. Applications are unlikely to be successful where the Council considers that the organisation has a significant level of unrestricted reserves proportionate to the level of relief being sought.

2.4. Applications are unlikely to be successful where the Council considers that the organisation has a significant level of income proportionate to the level of relief being sought.

2.5. Applications are unlikely to be successful where the Council considers that the organisation competes with commercially operated ratepayers (i.e. charity shops / gyms etc.).

2.6. Applications are unlikely to be successful where the Council considers that the organisation is already substantially publicly funded (i.e. Housing Associations and or voluntary schools or colleges etc).

- 2.7. Applications are unlikely to be successful where it appears to the Council that a major factor leading to the ratepayer's occupation is at least partially related to avoidance of National Non-Domestic Rates by the ratepayer or the landlord of the hereditament.
- 2.8. For all organisations consideration will be given to the extent that granting relief will help to preserve facilities that would otherwise be lost to the community.
- 2.9. If the discretionary relief is being fully funded by Government, the Council will award it in accordance with the Council's interpretation of any relevant statutory provisions and guidance, where possible without the need for ratepayers to apply.

3. Membership Organisations.

- 3.1. The level of membership by residents from the PCC area will be considered. Applications are unlikely to be successful where the Council considers that membership of the club is not sufficiently comprised of residents from the PCC area.
- 3.2. Membership of any organisation making application for relief should be open to all sections of the community and the organisation must demonstrate that the way in which it operates does not discriminate against any section of the community. This excludes membership that by its very nature is limited to certain groups, such as age (i.e. scouts, brownies) or disability etc.
- 3.3. The organisation should not operate a system whereby membership is determined by votes of existing members.
- 3.4. Any membership fees or subscriptions must not be set at a level that the Council considers excludes the general community; consideration will also be given to the following:
 - Reductions in fees offered for certain groups e.g. elderly, disabled
 - Where membership is encouraged from particular groups such as young people, persons with disabilities, ethnic minorities or older age groups.
 - Facilities are available for people other than members e.g. schools, public sessions.
 - Any membership selection criteria that requires applicants to have reached a certain standard before membership will be granted.
- 3.5. If the organisation/club has a licensed bar this will not prohibit an application for relief, but it must be evidenced that the bar is not the main use / function.

4. Hardship.

- 4.1. The Council is only able to consider an application for hardship relief where it is satisfied that:
 - a. the ratepayer would sustain hardship if the authority did not do so, *and*;
 - b. it is reasonable for the authority to do so, having regard to the interests of persons liable to pay council tax set by it.
- 4.2. We will consider written applications for hardship relief from ratepayers whose business, if it were to cease trading, would have a significant detrimental effect on the local community, including, but not limited to, local employment.

- 4.3. Every case will be considered on its own merits, and we will have particular regard to evidence of exceptional or unforeseen circumstances to justify reduction.
- 4.4. 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 Peterborough.
- 4.5. Due to the cost to the Council Tax payer and the Council more generally, 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.
- 4.6. An award of hardship relief will usually only be made in order to provide short term assistance to businesses that are suffering unexpected and exceptional hardship, arising from circumstances beyond the business's control and outside of the normal risk 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.
- 4.7. Hardship Relief will normally only be considered where the ratepayer is able to demonstrate a causal link between the hardship and the requirement to pay the rates.
- 4.8. No award shall be made where it appears to the Council that the proprietor of the business has failed to exercise due diligence or anticipate circumstances that may give rise to hardship, financial; or otherwise, and/or to put in place measures to prevent or mitigate the circumstances.

5. Relief to promote localism.

- 5.1. Due to the cost to the Council Tax payer and the Council more generally, any award of localism relief will be highly 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.
- 5.2. Whilst it is not possible to define the criteria of this relief, it will generally only be considered appropriate for large scale employers relocating to the PCC area, bringing substantial amounts of local employment and/or substantially reducing unemployment on the PCC area.

6. Relief for partly occupied premises (S44A Relief).

- 6.1. A ratepayer making an application under section 44a shall provide a plan of the property showing the dimensions of the occupied and unoccupied area of suitable quality to enable the Valuation Office Agency to apportion the rateable value of the property between the occupied and unoccupied areas. Applications will not be considered until

such time as the plan is provided.

- 6.2. The ratepayer must allow a Council Officer access to the property by appointment during normal working hours in order to verify the occupation of the property.
- 6.3. Further access may be required on at least one occasion each month, during normal office hours, during the period for which relief is being awarded. In order to enable verification, access to the unoccupied area may be requested immediately without advanced notice. In the event that access is not allowed promptly without good cause the award of Section 44a relief may be withdrawn
- 6.4. The granting of this relief is entirely under the discretion of PCC and each case will be considered on its merits and be referenced to the interests of Peterborough City Council tax payers.
- 6.5. Applications will only be considered in respect of unoccupied parts of a property that can be clearly defined and are reasonably segregated from the occupied part of the property.
- 6.6. For the purposes of these guidelines a period of up to 12 calendar months will generally be considered to be temporary and longer periods shall not be considered to be temporary.
- 6.7. 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 S44A relief.
- 6.8. S44A relief will not normally be awarded in respect of different operative periods that contain the same area of unoccupied property that existed in preceding operative periods.
- 6.9. Rate relief under this section will not usually be awarded where the partial occupation may be considered to arise due to the ordinary day to day nature of the business (for example the operation of a warehouse).

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