

Guidelines for applications for NNDR Discretionary relief

This document contains guidelines that apply to the following NNDR discretionary reliefs:

1. Discretionary relief for charities and non-profit making organisations
2. Local Discounts
3. Hardship Relief
4. Local Discretionary Business Rate Revaluation scheme
5. Central Government Prescribed schemes

1. Council guidelines for Discretionary relief for charities and non-profit making organisations

1.1 All applications for Discretionary relief must be considered based on their own merits. In order to recommend an award of Discretionary Charitable relief, the Council must be satisfied that:-

a) The application meets the legislative requirements in section 1.2

and

b) The application is in accordance with the guidelines in section 1.3 or that there are exceptional circumstances that merit the award of Discretionary relief (see section 1.6).

1.2 Legislative requirements

The Local Government Finance Act 1988 makes provision for local authorities to award 80% Mandatory relief to charities.

Section 47 of the Local Government Finance Act 1988 allows a local authority to grant Discretionary relief if:

a) all or part of the hereditament is occupied for the purposes of one or more institutions or other organisations:

(i) none of which is established or conducted for profit and

(ii) each of whose main objects are charitable or otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts; or

b) the hereditament:

(i) is wholly or mainly used for purposes of recreation, and

(ii) all or part of it is occupied for the purpose of a club, society or other organisation not established or conducted for profit.

A local authority may in its discretion award up to 20% Discretionary relief to charitable organisations in receipt of 80% Mandatory rate relief. A local authority may also in its discretion award up to 100% of Discretionary relief to organisations not eligible for Mandatory relief.

1.3 Considerations

The following factors will be considered by the Council when deciding whether to recommend the granting of NNDR Discretionary relief for charities and non-profit making organisations.

Whether the organisation:-

- predominantly serves the needs of Westminster residents
- contributes to the area and provides benefits to the local community
- provides facilities that satisfy a local need or indirectly relieve the Council of the need to do so, or enhance and supplement those services the Council does provide
- has a membership that is open to all sections of the community (not unduly restricted) and that is mainly drawn from persons resident in Westminster
- provides training, education or schemes for its members or encourages participation from particular groups in the community, such as young people, the elderly, the disabled, minority groups, etc.
- has facilities provided by self-help or grant aid.

The Council will also consider: -

- the finances of the organisation and whether payment of NNDR would adversely affect provision of the organisation's objectives.
- whether the cost to the Council of granting relief can be justified.

1.4 Exclusions

The following categories of organisations will not normally be considered for Discretionary relief:

- National charity shops
- Organisations whose objectives are solely concerned with education and which are already receiving Mandatory relief (80%).
- Administrative offices of national charitable organisations which are already in receipt of Mandatory relief (80%)
- Organisations which have a commercially operated bar within the relevant property serving alcohol.

- Organisations that have audited income of more than £1 million per annum.

1.5 Determination of Relief

The Executive Director of Finance and Resources and the Assistant City Treasurer have delegated authority to decide applications meeting the following criteria:

- Organisations in receipt of Mandatory relief and which exclusively serve Westminster residents.

The Rating Advisory Panel will consider applications outside of the criteria for an officer determination and appeals against an officer determination.

1.6 Exceptional circumstances

The Rating Advisory Panel has the ability to recommend awards of Discretionary relief which run contrary to these guidelines if the Panel is satisfied there is sufficient evidence of exceptional circumstances. The evidence of exceptional circumstances will need to be provided to the Cabinet Member for Finance, Property and Regeneration to support the relevant recommendation from the Panel.

2. Council Guidelines for Local Discounts

2.1 All applications for Local Discounts must be considered based on their own merits. In order to recommend an award of a Local Discount, the Council must be satisfied that:-

- a) The application meets the legislative requirements in section 2.2
and
- b) The application is in accordance with the guidelines in section 2.3 or that there are exceptional circumstances that merit the award of a Local Discount (see section 2.6).

2.2 Legislative requirements

The Localism Act 2011 amends Section 47 of the Local Government Finance Act 1988 to allow local authorities to grant Discretionary reliefs to any ratepayer, subject to the European rules on State Aid.

2.3 Considerations

The Localism Act 2011 does not set criteria for the award of a Section 47 Local Discount, therefore each application will be considered on its own merits. The following factors will be considered by the Rating Advisory Panel when deciding whether to recommend the granting of a Local Discount:

- Whether the business provides a unique or key service to the neighbourhood or locality;
- Whether the business is locally based within a single unit of accommodation or address in Westminster;
- Whether the organisation has been trading in Westminster for more than 3 years;
- How granting the discount will benefit the borough, (e.g. does it create or save jobs, or benefit local residents);
- Any help which is likely to be available to the applicant from other sources;
- Any other special circumstances;
- Whether the cost to the Council of granting relief can be justified.

2.4 Exclusions

The following categories of organisations will not normally be considered for Local Discounts:

- national and international organisations with additional properties outside of the borough.
- organisations that have audited income of more than £1 million per annum.

2.5 Determination of Relief

There is no delegated authority to officers for Local Discounts, therefore all applications must be considered by the Rating Advisory Panel.

2.6 Exceptional circumstances

The Rating Advisory Panel has the ability to recommend awards of Local Discounts which run contrary to these guidelines if the Panel is satisfied there is sufficient evidence of exceptional circumstances. The evidence of exceptional circumstances will need to be provided to the Cabinet Member for Finance, Property and Regeneration to support the relevant recommendation from the Panel.

3 Council Guidelines for Hardship Relief

3.1 All applications for Hardship Relief must be considered based on their own merits. In order to recommend an award of Hardship Relief, the Rating Advisory Panel must be satisfied that:-

- a) The application meets the legislative requirements in section 3.2
and
- b) The application is in accordance with the guidelines in section 3.3 or that there are exceptional circumstances that merit the award of a Hardship Relief (see section 3.6).

3.2 Legislative requirements

Section 49 of the Local Government Finance Act 1988 gives the charging authority discretion to reduce or remit the whole of an amount a person is liable to pay to it, provided the authority 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 the persons subject to its Council Tax.

3.3 Considerations

The following factors will be considered by the Rating Advisory Panel when deciding whether to recommend the granting of Hardship Relief:

- whether the accounts of the business are in order and show evidence of financial difficulty. Consideration needs to be given to the level of Directors' remuneration and general employees' salary levels.
- whether the business has been established in Westminster for more than three years.
- whether the business is locally based within a single unit of accommodation or address in Westminster. This would exclude national and international companies with properties outside the City.
- when considering cases for Hardship Relief, the Council must take into account the interests of council taxpayers who meet part of the cost. Therefore, businesses are required to provide a written statement detailing how the local community benefits from their activities.

3.4 Exclusions

There are no exclusions.

3.5 Determination of Relief

The Executive Director of Finance and Resources and the Assistant City Treasurer have delegated authority to decide applications for Hardship relief meeting the following criteria:

- the accounts of the business show a loss and
- the business has been established in Westminster for at least 3 years and
- the business is locally based within a single address in Westminster and
- relief may be awarded for one year only and up to a maximum of 25% or £5,000, whichever is the lower.

The Rating Advisory Panel will determine applications outside of the criteria for an officer determination and appeals against an officer determination.

3.6 Exceptional Circumstances

The Rating Advisory Panel has the ability to recommend awards of Hardship Relief which run contrary to these guidelines if the Panel is satisfied there is sufficient evidence of exceptional circumstances. The evidence of exceptional circumstances will need to be provided to the Cabinet Member for Finance, Property and Regeneration to support the relevant recommendation from the Panel.

4 Local Discretionary Business Rate Revaluation Relief Scheme

- 4.1** As part of the Spring Budget in March 2017 the Chancellor announced that the Government would provide £300 million to support those businesses most affected by the Business Rate Revaluation which took effect from 1 April 2017.

All applications for the Local Discretionary Business Rate Revaluation Relief Scheme must be considered based on their own merits. In order to recommend an award, the Council must be satisfied that:-

a) The application meets the legislative requirements in section 4.2

and

b) The application is in accordance with the guidelines in section 4.3 or that there are exceptional circumstances that merit the award of Discretionary Support (see section 4.6).

4.2 Legislative requirements

The government has stated that relief will be governed under Section 47 of the Local Government Finance Act 1988 and that relief should only be provided to organisations adversely affected by the Revaluation. No other legislative restrictions have been issued by the government.

4.3 Considerations

The scheme for Year 3 (2019/20) mirrors the scheme previously agreed for Year 1 and Year 2 (2017/18 and 2018/19). The scheme will allow any business that is occupying i.e. (no relief for empty properties) a property with a rateable value above £100,000 and has had an increase in their NNDR net liability above 20% due to the Revaluation to apply for relief under the scheme. The property must be currently occupied and occupied consistently since at least 31 March 2017. Funding to be limited to the EU State Aid limit.

Consideration needs to be given as to whether the applicant has shown that:-

a) Their business has been adversely affected by the NNDR Revaluation

and

b) The organisation brings some tangible benefit to the residents and / or businesses within the borough

Relief will be granted based on the following table, although the Rating Advisory Panel will be able to consider relief above these levels in exceptional circumstances (subject to the State Aid limitations)

Increase in NNDR Charge in 2017/18 compared with 2016/17 (Note 1)	% Relief Granted (Note 2)
Increase 35.00% +	7.5%
Increase between 20.00% and 34.99%	5%

4.4 Exclusions

There are no excluded types of business or property except as outlined within 4.3 above. However, applicants who have received relief in Year 1 or Year 2 of the scheme (i.e. 2017/18 or 2018/19), will not be eligible to apply for additional relief in Year 3 (i.e. 2019/20).

4.5 Determination of Relief

The Executive Director of Finance and Resources and the Assistant City Treasurer have delegated authority to consider claims meeting the criteria shown at 4.3.

The Rating Advisory Panel will determine applications outside of the criteria for an officer determination and appeals against officer determinations.

4.6 Exceptional Circumstances

The Rating Advisory Panel has the ability to recommend awards of Local Discretionary Business Rate Revaluation Support which run contrary to these guidelines if the Panel is satisfied there is sufficient evidence of exceptional circumstances. The evidence of exceptional circumstances will need to be provided to the Cabinet Member for Finance, Property and Regeneration to support the relevant recommendation from the Panel.

5 Central Government Prescribed Awards

- 5.1 The government has in recent years introduced several new NNDR discounts / allowances which it has required local authorities to administer through the existing NNDR Discretionary Relief legislation (Section 47 of the Local Government Finance Act 1988). There is no real discretion for local authorities, as the government expects local authorities to award relief and has committed to fully fund all such awards.
- 5.2 The Executive Director of Finance and Resources and the Assistant City Treasurer have delegated authority to determine relevant legislative changes meeting the associated legislative criteria.
- 5.3 The government has recently asked local authorities to administer the new Retail Relief Scheme under the existing NNDR Discretionary Relief legislation.
- 5.4 The relevant changes relate to occupied retail properties with a rateable value of less than £51,000. Each qualifying business will receive a discount of one third of their NNDR liability for 2 years from 1 April 2019. The discount only relates to certain types of retail occupation and is subject to state aid limits.