



## **Council Tax and Business Rates**

### **Discretionary Discount Policy 2018/19**

## Contents

Document Control: .....	4
Record of Amendments: .....	4
Approved By: .....	4
1. Introduction .....	5
Aims of the Discretionary Discount Policy .....	5
2. Policy Objectives and Action Plan .....	6
Objective 1: To ensure that assistance is available and accessible to members of the community most in need .....	6
Objective 2: To ensure discretionary discounts are only considered when no other means of assistance is available. ....	6
Objective 3: To monitor and evaluate the administration of the policy to ensure that the service reflects the needs of the community .....	7
3. Discretionary Discount - Customers in receipt of local Council Tax Reduction (Hardship Fund) .....	8
Responsible officer .....	8
Decision making process .....	8
Notification of decision .....	9
Review of decision/re-determination requests .....	9
Notification of review/re-determination decision .....	9
4. Discretionary Discounts – Customers not in receipt of local Council Tax Reduction .....	10
Responsible officer .....	10
Decision making process .....	10
Notification of decision .....	10
Review of decision/re-determination requests .....	11
Notification of review/re-determination decision .....	11
5. Discretionary Discounts – Rate Relief Policy relating to organisations established for Charitable, Sporting and Community Purposes. ....	12
Responsible officer .....	13
Decision making process .....	13
Notification of decision .....	13
Review of decision/re-determination requests .....	14
Notification of review/re-determination decision .....	14
6. Other Discretionary Discounts .....	15
7. Rural Rate Relief .....	16
Responsible officer .....	16
Decision making process .....	16
Notification of decision .....	16
Review of decision/re-determination requests .....	16
Notification of review/re-determination decision .....	16

8. Temporary Part Occupation Relief.....	17
Responsible officer.....	17
Decision making process.....	17
Notification of decision .....	17
Review of decision/re-determination requests .....	18
Notification of review/re-determination decision.....	18
9. Revaluation Relief and Public House Relief .....	19
Legislative Background .....	19
The Council’s approach to granting Government led Discretionary Relief schemes .....	19
Effect on the Council’s Finances .....	19
Discretionary Relief – EU State Aid requirements .....	20
Administration of Discretionary Relief – General approach.....	21
Consultation .....	22
Decisions by the Council under these schemes .....	22
Decision making process:.....	22
Applications for reliefs under these schemes.....	23
Revaluation Relief .....	23
Public House Relief.....	24
Applications for relief under these schemes .....	25
Fraud .....	25

## Document Control:

Document owner:	Andrew Turpin
Document number:	1.7
Document category:	Original copy held within the Revenues and Benefits Service
Document location:	Council Website
Issued by:	Louise Jones / Graeme Ruse
Last edited:	5th March 2018

## Record of Amendments:

Date	Version	Amended by	Description of changes
10/03/2014	1.1	Graeme Ruse	Business Rates Reliefs – added Retail Relief pages 19 – 22. New Build Relief page 23-24, Temporary Re-Occupation Relief page 25-26
01/10/2014	1.2	Andrew Turpin	Rural Rate Relief pages 27-28
19/12/2014	1.3	Andrew Turpin	Retail Relief page 19
02/11/2015	1.4	Graeme Ruse	Temporary Part Occupation Relief
21/10/2016	1.5	Graeme Ruse	Removal of New Build and Re-Occupation Relief
10/10/2017	1.6	Louise Jones	No changes – review only
05/03/2018	1.7	Andrew Turpin	Inclusion of Revaluation Relief and Public House Relief

## Approved By:

Name	Title	Signature	Date
Andrew Turpin	Head of Revenues & Exchequer Services		5 <sup>th</sup> March 2018

## **1. Introduction**

Section 13A of the Local Government Finance Act 1992 (as amended) and sections 47, 48 and 49 of the Local Government Finance Act 1988 (as amended) empowers a billing authority to reduce the amount of tax payable.

Fylde Borough Council has adopted a local Council Tax Reduction Scheme, to take effect from 1st April 2013, which replaces Council Tax Benefit. However it is likely that other circumstances will arise where the Council could consider a further discretionary reduction in respect of Council Tax and Business Rates in exceptional circumstances.

Funding for such reductions must be provided by the Council. This policy sets out how the Council will use these powers and the criteria that must be satisfied.

The Council is committed to ensuring that the local taxpayers are aware of the policy as set out in this document.

### **Aims of the Discretionary Discount Policy**

- Provide a mechanism for the Council to support members of the community to enable them to meet the financial burden of local taxation
- Helping residents in receipt of Council Tax Reduction who are unable to increase their income
- Alleviating poverty
- Helping those who are trying to help themselves
- Supporting people who are starting work
- Supporting the most vulnerable in the local community
- Helping customers through difficult personal events
- Assisting customers in accordance with the Council's Child Poverty Strategy

## **2. Policy Objectives and Action Plan**

### **Objective 1: To ensure that assistance is available and accessible to members of the community most in need**

- Issue regular bulletins to staff reminding them of the policy and qualifying criteria
- Regular refresher training for assessment staff to promote proactive identification of potential cases
- Provide effective overview training to non-benefits staff on the policy and qualifying criteria to promote take-up and awareness in appropriate circumstances.
- Promote access to the scheme through:
  - Leaflets and posters in areas accessed by customers.
  - Continued development of the Fylde Borough Council website to ensure that up to date information is provided and that relevant forms and information can be downloaded.
- Ensure third sector advice agencies are aware of the policy and qualifying criteria.
- Promoting awareness to Members
- Identifying target client groups who will be unlikely to be able increase their income.
- This may include:
  - Council Tax Reduction recipients in receipt of Employment Support Allowance (Support Component) and Long Term Incapacity Benefit
  - Council Tax Reduction recipients, in receipt of Carer's Premium, who are full time carer's
  - Council Tax Reduction recipients with disabled children
  - Council Tax Reduction recipients with children under 5
  - Council Tax Reduction recipients who are starting employment
  - Council Tax Reduction recipients who do not have English as a first language
  - Council Tax Reduction recipients with learning difficulties
- Identify target groups from records held by other Council Services:
  - Social and Private Sector Housing Tenants with significant arrears who may qualify for a Discretionary Housing Payment (DHP).
  - Council Tax payers who have been issued with a summons.
  - Customers who are eligible for but have not claimed a disabled parking badge.
  - People requiring assistance following an emergency
- Providing a facility to visit customers to assist them in making an application and provide supporting documents.
- Working closely with existing and new service partners and stakeholders to promote awareness of the policy.

### **Objective 2: To ensure discretionary discounts are only considered when no other means of assistance is available.**

- Ensure assessments of applications for local Council Tax Reduction incorporate a benefits maximization check.
- Ensure the applicant does not have income or capital which should be used to meet

the liability.

- Signpost customers who do not meet the criteria to appropriate alternative advice services
- Conduct a regular review of the policy and outcomes of applications in order to review qualifying criteria and improve targeting procedures and processes.
- Provide guidance for decision makers (Senior Benefits Assistant, Senior Benefits Specialist or Team Manager) which is regularly reviewed and updated.
- Implement a quality monitoring regime to ensure decisions are independent, fair and consistent.
- Ensure publicity is available to encourage customers to claim other benefits they are entitled to and where to access debt advice and money management tools.
- Ensure other sums owed to the Council (e.g. sundry debts, Housing Benefit overpayments) are reviewed and reduced repayments agreed where appropriate.
- Ensure a Discretionary Housing Payment for Housing Benefit is awarded if appropriate
- Ensure recovery action is delayed where appropriate
- Awards will be tailored to match need. The period and amount of an award will be determined based upon the circumstances in each case.
- Awards will only be made for a period relating to the financial year in which the application is made.
- Awards may be reviewed at any time and may be revised, reduced or withdrawn if it is found that the circumstances of the applicant have changed and the award is no longer appropriate.

**Objective 3: To monitor and evaluate the administration of the policy to ensure that the service reflects the needs of the community**

- Monitoring of fund spending:
  - Monthly reporting of expenditure to be provided to Divisional Management Team meetings.
  - Quarterly reporting to the Chief Financial Officer.
  - Analysis of applications received and outcomes in order to review policy, methodology and improve targeting.
- Conduct a regular review of income and expenditure forms, policy, criteria and guidance for decision makers.
- Review the outcome of requests for reconsideration to improve guidance and methodology.
- Conduct an annual review and analysis of applications received to identify and learn from:
  - Reasons for the award
  - Reasons for the refusal of an award
  - Origin of the application
- Invite and action feedback on processes and procedures from partners and stakeholder



### **3. Discretionary Discount - Customers in receipt of local Council Tax Reduction (Hardship Fund)**

Fylde Borough Council adopted a local Council Tax Reduction Scheme which is effective from 1st April 2013. During the development of the scheme the Councils' Equality Analysis identified that certain groups affected by the reduction in support would be unlikely to be able to increase their income. The Discretionary Discount Policy will prioritise these customers.

For an award of this type of discretionary discount to be considered, the applicant must be:

- In receipt of Council Tax Reduction; and
- Have a shortfall between the level of Council Tax Reduction and their council tax liability; and
- In the opinion of the Council, be in need of further assistance with Council Tax in accordance with the qualifying criteria.

Requests for further reductions in Council Tax liability will be required in writing from the customer, their advocate / appointee or a recognised third party acting on their behalf.

Each case will be considered on 'its merits' however all of the following criteria should be met:

- There must be evidence of hardship or personal circumstance that justifies a further reduction in Council Tax liability.
- The Council must be satisfied that the customer has taken reasonable steps to resolve their situation prior to application.
- The customer does not have access to other assets that could be realised and used to pay the Council Tax.
- All other eligible discounts/reliefs have been awarded to the customer.

#### **Responsible officer**

The responsibility for making discretionary discount decisions will rest with the Chief Financial Officer, who will discharge this responsibility by the following process:

#### **Decision making process**

**Stage 1:** The initial request will be dealt with by a decision maker (Senior Benefits Assistant, Senior Benefit Specialist or Team Manager) who will consider the application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council.

**Stage 2:** A Senior Benefits Manager will authorise the decision.



### **Notification of decision**

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

### **Review of decision/re-determination requests**

The Council will accept an applicant's written request for a redetermination of its decision. The process will be as follows:

**Stage 1:** The original decision and any additional information provided will be reviewed by a different decision maker who will recommend either confirming or amending the original decision.

**Stage 2:** The Head of Benefits and Customer Services, or Head of Revenues and Exchequer Services, will consider the application for review and the recommendation and determine whether to award a discretionary discount.

### **Notification of review/re-determination decision**

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.

A discretionary reduction made under section 13A (1)(a) or (c) of the Local Government Finance Act (LGFA) 1992 can be the subject of an appeal to the Valuation Tribunal under section 16 of the LGFA 1992.

## **4. Discretionary Discounts – Customers not in receipt of local Council Tax Reduction**

Requests for reductions in Council tax liability will be required in writing from the customer, their advocate / appointee or a recognised third party acting on their behalf

Each case will be considered on 'its merits' however all of the following criteria should be met:

- There must be evidence of hardship or personal circumstance that justifies a reduction in Council Tax Liability.
- The Council must be satisfied that the customer has taken reasonable steps to resolve their situation prior to application.
- The customer does not have access to other assets that could be realised and used to pay the Council Tax.
- The customer is not entitled to an award under the local Council Tax Reduction Scheme.
- All other eligible discounts/reliefs have been awarded to the customer.

### **Responsible officer**

The responsibility for making discretionary decisions will rest with the Chief Financial Officer, who will discharge this responsibility by the following process:

The Senior Revenues Team Manager will liaise with the applicant in each case to request sufficient information in order that a decision can be made

### **Decision making process**

**Stage 1:** The initial request will be dealt with by a decision maker (Senior Revenues Team Manager) who will consider the application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council. The decision maker (Senior Revenues Team Manager) will liaise with the applicant in each case to request sufficient information in order that a decision can be made.

**Stage 2:** A Senior Revenues Manager will authorise the decision.

### **Notification of decision**

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

### **Review of decision/re-determination requests**

Council will accept an applicant's written request for a redetermination of its decision.

**Stage 1:** The original decision and any additional information provided will be reviewed by a different decision maker who will recommend either confirming or amending the original decision.

**Stage 2:** The Head of Revenues and Exchequer Services, or Head of Benefits and Customer Services, will consider the application for review and the recommendation and determine whether to award a discretionary discount.

### **Notification of review/re-determination decision**

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.

A discretionary reduction made under section 13A (1) (a) or (c) of the Local Government Finance Act (LGFA) 1992 can be the subject of an appeal to the Valuation Tribunal under section 16 of the LGFA 1992.

## 5. Discretionary Discounts – Rate Relief Policy relating to organisations established for Charitable, Sporting and Community Purposes.

Each case will be considered on its merits however all of the following criteria should be met:

- Requests for reductions in Business Rates will be required in writing from the ratepayer or a recognised third party acting on their behalf.
- It must be in the interest of Council Tax payers for the local authority to grant a reduction.
- All other eligible discounts/reliefs have been awarded to the ratepayer.

In addition to the above, the Council has determined the following guidelines for the granting of discretionary rate relief.

- a) The organisation is small in stature in that it occupies a hereditament with a Rateable Value of less than £13,000 in the National Non-Domestic Rating List effective from 1 April 2017. *(the premise is that larger organizations are generally well established and can, to a certain extent, exist without any external aid at all)*, **and**
- b) The organisation is not part of a charging or precepting authority, **and**
- c) The organisation has been specifically set up for the benefit of the young, the aged, the disabled or for ethnic minorities. *(sports organisations that allow or promote junior or senior citizen membership would not necessarily fall under the jurisdiction of this rule. The organisation must have been created or is in being for the sole or main purpose of aiding any one of these sections of the community)*, **or**
- d) The property is for the general use of the local community without any membership and/or subscription requirements and has no specific use except for the general benefit of the community, **or**
- e) The property is used for the housing of vehicles used only for offshore emergency purpose, **or**
- f) The aims of the organisation are to educate volunteers in emergency training for the benefit of the local community.

Discretionary Relief of the remaining balance (taking into account 80% mandatory relief granted to all charitable bodies) may be granted to any non-profit making organisations that meet the above criteria.

The above is intended only as a guide when considering applications for discretionary rate relief. All applications will be considered on their merits and it might be found that it is only right and proper to approve applications which do not conform exactly to the above.

- g) The Council will continue with its current policy regarding granting discretionary rate relief, each application be considered on its merits and favourable consideration be given to applications from qualifying organisations in instances when the non-granting of relief could seriously jeopardize the financial viability of the organisation.
- h) One factor to be taken into account in determining discretionary rate relief shall be the training or coaching provided by sports clubs for the youth of the Borough.

In addition, organisations with charitable status and not being Limited Companies, and set up for recreational purposes:

- Whose membership is open to all sections of the community.
- Do not restrict membership on the grounds of ability or the availability of their facilities,
- Whose membership levels are not set at such a rate to preclude membership by all sections of the community,
- Who provide outside sporting activities,
- Who actively encourage participation by young people,
- Make their facilities available to people other than members e.g. to schools or casual public sessions,
- Whose main aim is sporting rather than social,
- Whose members are mainly from Fylde Borough.

**May** be given discretionary relief of 100% based on the Rateable Value of the outside playing area and changing areas only.

- i) Retail premises operated by a registered charity which have been granted mandatory rate relief may, in exceptional circumstances, receive a further discretionary award. The Council will consider the merits of each case but such an award is likely to be the exception rather than the rule.

### **Responsible officer**

The responsibility for making discretionary decisions will rest with the Chief Financial Officer, who will discharge this responsibility by the following process:

### **Decision making process**

**Stage 1:** The decision making process will involve the Principal Income and Recovery Manager making a recommendation to the Head of Revenues and Exchequer Services, considering the application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council. The Senior Revenues Team Manager will liaise with the applicant in each case to request sufficient information in order that a decision can be made.

**Stage 2:** The Chief Financial Officer will consider the application and the recommendation of the Head of Revenues and Exchequer Services and determine whether to award a discretionary discount.

### **Notification of decision**

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

### **Review of decision/re-determination requests**

The Council will accept an applicant's written request for a redetermination of its decision. The process will be as follows:

**Stage 1:** The original decision and any additional information provided will be reviewed by a different decision maker who will recommend either confirming or amending the original decision.

**Stage 2:** The Chief Financial Officer will consider the application for review and the recommendation and determine whether to award a discretionary discount.

### **Notification of review/re-determination decision**

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.

Following the redetermination of a request for discretionary discount, there is no further right of appeal.

## **6. Other Discretionary Discounts**

It is possible that other exceptional circumstances will arise where the Council could consider a further discretionary reduction in respect of Business Rates.

Each case will be considered on its merits however all of the following criteria should be met:

- Requests for reductions in Business Rates will be required in writing from the ratepayer or a recognised third party acting on their behalf.
- It must be in the interest of Council Tax payers for the local authority to grant a reduction.
- All other eligible discounts/reliefs have been awarded to the ratepayer.

The Chief Financial Officer will consider such applications in line with the Council's Financial Regulations.



## **7. Rural Rate Relief**

Relief of up to 100% can be granted to the occupier of a general store, post office, pub or petrol station if it is the only such business in the authority's rural settlement list. Each case will be dealt with on its own set of circumstances and ratable value limits will apply.

### **Responsible officer**

The responsibility for making discretionary decisions will rest with the Chief Financial Officer, who will discharge this responsibility by the following process:

### **Decision making process**

**Stage 1:** The decision making process will involve the Principal Income and Recovery Manager making a recommendation to the Head of Revenues and Exchequer Services, considering the application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council. The Senior Revenues Team Manager will liaise with the applicant in each case to request sufficient information in order that a decision can be made.

**Stage 2:** The Chief Financial Officer will consider the application and the recommendation of the Head of Revenues and Exchequer Services and determine whether to award a discretionary discount.

### **Notification of decision**

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

### **Review of decision/re-determination requests**

The Council will accept an applicant's written request for a redetermination of its decision. The process will be as follows:

**Stage 1:** The original decision and any additional information provided will be reviewed by a different decision maker who will recommend either confirming or amending the original decision.

**Stage 2:** The Chief Financial Officer will consider the application for review and the recommendation and determine whether to award a discretionary discount.

### **Notification of review/re-determination decision**

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.

Following the redetermination of a request for discretionary discount, there is no further right of appeal.

## **8. Temporary Part Occupation Relief**

The Ratepayer is liable for the full non-domestic rate whether a property is wholly occupied or only partly occupied. Under s44A of the Local Government Finance Act 1988, where a property is partly occupied for a short time the Council has discretion to request that the Valuation Office apportion the rateable value of a property between the occupied and unoccupied parts; thereby reducing the amount payable.

Applications must be made in writing and supported by: -

- Detailed maps which outline the whole property and indicate the partly occupied section.
- Details of the planned period of time for the part occupation.
- Details of future intentions.
- Details of the cause for the part occupation.

A site visit will normally be undertaken.

Where necessary the ratepayer may be required to provide additional information to support their application.

### **Responsible officer**

The responsibility for making discretionary relief decisions will rest with the Chief Financial Officer, who will discharge this responsibility by the following process:

### **Decision making process**

**Stage 1:** The decision making process will involve the Principal Income and Recovery Manager making a recommendation to the Head of Revenues and Exchequer Services, considering the application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council. The Senior Revenues Team Manager will liaise with the applicant in each case to request sufficient information in order that a decision can be made.

**Stage 2:** The Chief Financial Officer will consider the application and the recommendation of the Head of Revenues and Exchequer Services and determine whether to award a discretionary discount.

### **Notification of decision**

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

### **Review of decision/re-determination requests**

The Council will accept an applicant's written request for a redetermination of its decision. The process will be as follows:

**Stage 1:** The original decision and any additional information provided will be reviewed by a different decision maker who will recommend either confirming or amending the original decision.

**Stage 2:** The Chief Financial Officer will consider the application for review and the recommendation and determine whether to award a discretionary discount.

### **Notification of review/re-determination decision**

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.

Following the redetermination of a request for discretionary discount, there is no further right of appeal.

## **9. Revaluation Relief and Public House Relief**

Central Government is keen that in certain cases, assistance should be provided to businesses which have had increases in their rate liability due to the revaluation of premises in April 2017. In these cases, and where the Council meets Central Government guidelines, grants are available under section 31 of the Local Government Act 2003.

The following sections cover all aspects of the new Discretionary Business Rates Relief scheme “Revaluation Relief” and Public House relief which are available from 1st April 2017. Where businesses apply for relief they will be granted (or not granted) relief in line with the following policy.

### **Legislative Background**

To be considered for the following discretionary relief schemes ratepayers are obliged to make a written application to the Council. The Council will expect all businesses to make applications in such a format as is required (which may vary from time to time) and for the business to provide such information, evidence, certificates etc as required in order to determine whether relief should be awarded.

The Council will consider carefully every application on its merits. There is no statutory appeal process or Tribunal against any decision made by the Council. The authority will however, upon request, review decisions made. Details of the internal review process are given within this policy.

This policy document covers the granting of awards under the Revaluation Relief and Public House Relief which covers a period of 12 months from 1st April 2018. The decision to grant or not to grant discretionary relief is a matter purely for the Council. The Council’s policy for granting other reliefs can be found on the Councils website [www.fylde.gov.uk](http://www.fylde.gov.uk).

### **The Council’s approach to granting Government led Discretionary Relief schemes**

Over the past few years, a number of schemes have been led by Central Government but without specific legislative changes. These are administered under s47 of the Local Government Finance Act 1988 and guidance is often provided. The Council is keen to support such initiatives especially where they are designed to help local businesses and will look to maximise both the reliefs given as well as maximising any grants receivable. However, the Council reserves the right to vary its approach where thought appropriate.

In the case of Revaluation Relief, Central Government is keen that individual Councils develop their own scheme to meet local needs. Government has allocated funds to the Council using a particular methodology, but it has been keen to point out that this should have no bearing on the actual scheme adopted by the Council.

### **Effect on the Council’s Finances**

In March 2017, Central Government announced that it 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, known as Revaluation Relief. Government determined that Councils would be 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.

Every authority within England is to be provided with a share of the fund to support their local businesses. This is to be administered through billing authorities' discretionary relief powers under s47 of the Local Government Act 1988. The full effects of the financial allocation are shown below.

The allocation of monies to authorities and the methodology of the funding award is completely separate to the scheme itself and Government believes that local authorities are best placed to judge the particular circumstances of local ratepayers and direct the funding where it is most needed to support local economies.

Councils will be compensated for any relief granted under section 31 of the Local Government Act 2003. The Government has decided that any underspend cannot be transferred from one year to the next.

A key criteria of reimbursement will be that the Council will consult with its major precepting authority when formulating its scheme.

The level of funding allocations in respect of the Discretionary Business Rates Relief Scheme are shown in the following table:

Amount of discretionary fund awarded (£000s) – Fylde Council

2017-18	2018-19	2019-20	2020-21
126	61	25	4

The Council will also be compensated for the awarding of Public House Relief under section 31 of the Local Government Act 2003.

### **Discretionary Relief – EU State Aid requirements**

European Union competition rules generally prohibit Government subsidies to businesses. Relief from taxes, including non-domestic rates, can constitute state aid. The Council must bear this in mind when granting discretionary rate relief.

Rate relief for charities and non-profit making bodies is not generally considered to be state aid, because the recipients are not in market competition with other businesses. However, where other bodies receive relief and are engaged in commercial activities or if they are displacing an economic operator or if they have a commercial partner, rate relief could constitute state aid.

Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013)<sup>1</sup>. The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three-year period (consisting of the current financial year and the two previous financial years).

Where the relief to any one business is greater than the De Minimis level, then permission will need to be obtained from the European Commission. In such cases the matter will be referred to the Department for Communities and Local Government (DCLG) for advice and then referred back to the Council for consideration. It will be for the ratepayer to provide confirmation as to whether the State Aid provisions apply to them.

In all cases, where discretionary relief is to be granted or where liability is to be reduced, when making an application, ratepayers will be required to provide the Council with sufficient information to determine whether these provisions are applicable in their case.

European Union competition rules regarding state aid requirements may change when the United Kingdom exits the European Union.

### **Administration of Discretionary Relief – General approach**

All reliefs must be applied for in a format specified by the Council.

Applicants are required to provide a completed application form plus any such evidence, documents, accounts, financial statements etc. necessary to allow the Council to make a decision. Where insufficient information is provided, then no relief will be granted. In some cases, it may be necessary for officers to visit premises and we would expect organisations claiming relief to facilitate this where necessary.

The Council will provide this service and guidance free of charge. Ratepayers are encouraged to approach the Council direct and **NOT** pay for such services through third parties.

Where an application is successful, then the following will be notified to them 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.

Where relief is not granted then an explanation of the decision will be provided, in writing.

Revaluation Relief and Public House relief is to be granted from the beginning of the financial year in which the decision is made. Decisions can be made up to 6 months after the end of the financial year for which the application was made, but if an application is made after this time it will not be considered.

A fresh application for discretionary relief will be necessary for each financial year or at such

---

<sup>1</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF>

time-period as the Council determines.

Variations in any decision will be notified to ratepayers as soon as practicable and will take effect as follows:

- Where the amount is to be increased due to a change in rate charge or a change in the Council's decision which increases the award – this will apply from the date of the increase in rate charge or the date determined by the Council as appropriate;
- Where the amount is to be reduced due to a reduction in the rate charge or liability including any reduction in rateable value, awarding of another relief or exemption this will apply from the date of the decrease in rate charge; **and**
- Where the amount is to be reduced for any other reason, it will take effect at the expiry of a financial year

A decision may be revoked at any time.

### **Consultation**

The Council has consulted with its preceptors in relation to its Revaluation Relief scheme and has taken their comments into account when determining the eligibility criteria.

The grant determination for Revaluation Relief states that a condition of the fund is that consultation is undertaken with 'relevant authorities'. Relevant authorities for the purpose of this scheme means any major precepting authority.

In the case of Fylde Borough Council the precepting authorities has been consulted, namely the Lancashire County Council and the Lancashire Combined Fire and Rescue Service.

### **Decisions by the Council under these schemes**

Requests for these reliefs will be required by completing the Council's application form.

Each application will be considered against the criteria listed in this document, and it must be in the interest of the Council and community for the local authority to grant a reduction.

The responsibility for making discretionary decisions will rest with the Chief Financial Officer.

Additional information may be required by the Council in order that a decision can be made.

### **Decision making process:**

**Stage 1:** The Decision Maker (Principal Income and Recovery Manager or Head of Revenues and Exchequer Services) will make a recommendation to the Chief Financial Officer, considering the application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council.

**Stage 2:** The Chief Financial Officer will consider the application and the recommendation to



determine whether to award a discretionary discount.

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

The Council will accept an applicant's written request for a redetermination of its decision if there is new information available on which to reconsider the original decision.

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.

## Applications for reliefs under these schemes

### Revaluation Relief

The Council has decided that reliefs under the Revaluation Relief scheme will be awarded using the following criteria:

- a) The scheme is designed to assist ratepayers who have suffered significant increases in rate liability due to the revaluation and the subsequent increase to their Rateable Value;
- b) Relief will not be granted where a hereditament has a rateable value of £500,000 or more at 1st April 2017 and where the increase calculated in section (d) is less than 10%;
- c) Relief will not be awarded where mandatory relief or Supporting Small Businesses Relief are granted or the hereditament is within the Business Rates Relief qualifying area of a designated Enterprise Zone;
- d) In assessing any potential entitlement to an award under this scheme, the Council will compare the following:
  - The rate liability of the ratepayer at 31st March 2017 after any reliefs and reductions; **and**
  - The rate liability of the ratepayer at 1st April 2017 taking into account any transitional relief or discretionary relief within this policy;
- e) Relief will only be given to premises which are liable for occupied rates. No relief within this scheme will be granted for unoccupied premises;
- f) Relief will only be granted to ratepayers who were in occupation at 31st March 2017 and in occupation on 1st April 2017 and for each day subsequently.
- g) Ratepayers taking up occupation after the 1st April 2017 will not be eligible for relief on the basis that new ratepayers would not have suffered from increases due to a revaluation;
- h) Relief may be awarded for more than one premises as long as all other criteria are met;

Relief will **not** be awarded where:

- the ratepayer has been awarded a reduction under s44a of the Local Government Finance Act 1988; **or**
- the hereditament occupied by a Billing or Precepting Authority (known as excepted

hereditaments).

- the hereditament has a subsequent increase in Rateable Value after the 1st April 2017 which takes it out of the scope of this scheme; **or**
- the hereditament is used for any of the following purposes:
  - a) hospitals, health centre's or doctors/GP surgeries;
  - b) banks and building societies, including separately rated cash machines and ATM's; **or**
  - c) telecommunications network facilities

### **Public House Relief**

For Public House Relief the amount of relief available for 2018/19 under this scheme is up to £1,000 for each eligible property. There is no relief available under this scheme for properties with a rateable value of £100,000 or more. Eligibility for the relief and the relief itself will be assessed and calculated on a daily basis.

The majority of pubs are independently owned or managed and will not be part of chains. Where pubs are part of a chain, relief will be available for each eligible property in the chain, subject to meeting State Aid requirements.

The Government's policy intention is that eligible pubs should:

- be open to the general public, **and**
- allow free entry other than when occasional entertainment is provided, **and**
- allow drinking without requiring food to be consumed, **and**
- permit drinks to be purchased at a bar.

For these purposes, it should exclude:

- restaurants
- cafes
- nightclubs
- hotels
- snack bars
- guesthouses
- boarding houses
- sporting venues
- music venues
- festival sites
- theatres
- museums
- exhibition halls
- cinemas
- concert halls
- casinos

These exclusions are not exhaustive and it will be for the Council to determine those cases where eligibility is unclear.

## **Applications for relief under these schemes**

The Council is keen to identify ratepayers who may qualify for these reliefs and as such will look to encourage certain ratepayers to apply. The Council will look to simplify the application process wherever possible, but it will expect any ratepayers to provide such information as is required by the Council to support their application.

During the 4 years of this scheme the government has provided total funding to Fylde Council of £216,000. A standard percentage reduction in the value of the rates payable will be applied to all eligible applicants, that rate to be determined by the level of available funding during the year.

The amount of relief awarded under these schemes will be recalculated in the event of a change of circumstances. In effect relief is calculated on a daily basis in line with the ratepayer's liability on that day. This will include, for example, a backdated change to the rateable value of the hereditament. This change of circumstances could arise during the year in question or during a later year. Where any award is to be reduced, the Council will look to recover the amount from the date the change of circumstances occurred.

The Non-Domestic Rating (Discretionary Relief) Regulations 1989 (S.I. 1989/1059) requires the Council to provide ratepayers with at least one year's notice in writing before any decision to revoke or vary a decision so as to increase the amount the ratepayer has to pay takes effect. Such a revocation or variation of a decision can only take effect at the end of a financial year. But within these regulations, the Council may still make decisions which are conditional upon eligibility criteria or rules for calculating relief which allow the amount of relief to be amended within the year to reflect changing circumstances.

Where any award is granted to a ratepayer, the Council will require any changes in circumstances which may affect the relief to be reported as soon as possible and in any event not more than 21 days from the happening of the event. This will be important where the change would result in the amount of the award being reduced or cancelled e.g. where the premises comes unoccupied or is used for a purpose other than that determined by the Council as eligible for relief.

## **Fraud**

Where a ratepayer falsely applies for any relief or where the ratepayer provides false information, makes false representation, or deliberately withholds information in order to gain relief, prosecutions will be considered under the Fraud Act 2006.



© Fylde Borough Council copyright 2016

You may re-use this document/publication (not including logos) free of charge in any format or medium. You must re-use it accurately and not in a misleading context. The material must be acknowledged as Fylde Borough Council copyright and you must give the title of the source document/publication.

Where we have identified any third party copyright material you will need to obtain permission from the copyright holders concerned.

This document/publication is also available on our website at [www.fylde.gov.uk](http://www.fylde.gov.uk).

Any enquiries regarding this document/publication should be sent to us at the Town Hall, St Annes Road West, St Annes FY8 1LW, or to [listening@fylde.gov.uk](mailto:listening@fylde.gov.uk).