Proposed Non Domestic Rating Discretionary Areas and Hardship from 1st April 2023

Executive Member(s): Cllr Liz Leyshon – Lead Member for Finance & Human Resources

Local Member(s) and Division: N/A

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1. Summary

- 1.1 The report identifies key decisions required in respect of a number of areas where the Council has local discretion under the Non-Domestic Rating provisions. Specifically:
 - Discretionary rate relief (as defined by S47 of the Local Government Finance Act 1988)
 - The hardship provisions (as defined by S49 of the Local Government Finance Act 1988).
- 1.2 Set out below is an overview of each of the reliefs together with our recommended future approach for the areas where we have discretion. The legislation requires that these recommendations be decided upon by Full Council acting in its capacity as a 'billing authority'. Decisions need to be made by the end of this calendar year in order that they can be implemented for 1 April 2023. Consequently, the recommendations will be brought to the Executive on 16 November 2022 and Full Council on 23 November 2022.
- 1.3 The Executive are asked to consider the proposed policy, as outlined below and in Appendix 1, and make recommendations for the agreement of an aligned policy to Full Council on 23 November 2022.
- 1.4 These proposals were considered by the Scrutiny for Policies and Place committee on 11 October 2022. A summary of the comments and requests from the Scrutiny committee are included at section 9 below.

2. Background to the Various Reliefs

Discretionary Rate Relief (S47)

- 2.1 Non-Domestic Rating has a large number of reliefs divided basically into two types, mandatory and discretionary. Mandatory reliefs are dictated by legislation and the new Somerset Council will be obliged to implement those in full. In the case of the discretionary reliefs, these are broadly divided into three types as follows:
 - (a) Discretionary relief which is **defined by legislation** and borne by the Council and Government under the Business Rates Retention provision (50%/50%);
 - (b) Discretionary relief which is wholly **defined by the Council** and borne by the Council and Government under the Business Rates Retention provision (50%/50%); and

- (c) Discretionary relief which is wholly **defined and reimbursed by the Government** under a S31 Grant.
- 2.2 In the case of (a), the basic provisions are laid down by legislation (S47) but the decision whether to grant relief is at the discretion of each Council. Councils are required to develop their approach to granting within the legislative framework.
- 2.3 In the case of (b), each Council has full discretion to develop its own policy and relief can be awarded to any ratepayer.
- 2.4 In the case of (c), Government has for a considerable time developed schemes which are expected to be adopted by Councils. These are normally in response to economic events such as the financial crisis or the recent Covid pandemic. In these cases, where Councils adopt the suggested approach, the full amount of relief is reimbursed by means of a S31 grant. It is therefore obvious, that with these reliefs, all billing authorities currently adopt Government guidance in full.
- 2.5 For information, the reliefs are as follows:
 - Type (a) Discretionary relief which is defined by legislation and borne by the Council and Government under the Business Rates Retention provision (50%/50%);
 - (i) Discretionary relief 'top up' for those ratepayers who receive mandatory Charity Relief (80%) – discretionary relief can be granted up to 20% and is often referred to as 'top up'. This category can include Community Amateur Sports Clubs (CASCs);
 - (ii) Discretionary relief for those ratepayers who are in a Rural Settlement and who do not receive mandatory rural rate relief – discretionary relief can be granted up to 100%;
 - (iii) Discretionary relief for those ratepayers who are not charities but are 'not for profit' organisations and whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature, or the fine arts discretionary relief can be granted up to 100%; and
 - (iv) Discretionary relief for those ratepayers who are not charities but whose premises are wholly or mainly used for purposes of recreation, and all or part of which is occupied for the purposes of a club, society or other organisation not established or conducted for profit. These are largely sports clubs (not CASCs) – discretionary relief can be granted up to 100%;
 - Type (b) Discretionary relief which is wholly defined by the Council and borne by the
 Council and Government under the Business Rates Retention provision (50%/50%);
 Relief under this provision is wholly determined by each Council. This relief is
 commonly known as the localism provisions and allows authorities to grant up to
 100% relief to any ratepayer that meets the Council's defined policy;
 - Type (c) Discretionary relief which is wholly defined by the Government and reimbursed by the Government under a S31 Grant:
 - (i) Mandatory Rural Rate Relief Top Up (50%);
 - (ii) Local Newspaper Relief Up to 100%;

- (iii) Transitional & Support for Small Businesses Relief (variable relief for small and medium businesses) (2022/23 only);
- (iv) Retail, Hospitality and Leisure Relief 50% subject to a cash cap of £110,000;
- (v) Covid Additional Restrictions Fund (CARF) for 2021/22 only, variable subject to fund limits; and
- (vi) Investment Relief (from 2023)– 100% relief based on certificated values from the Valuation Office Agency.

For completeness, details of these reliefs have been included within the proposed policy document.

- 2.6 The following broadly summarises the overall approach being taken currently by the districts within the Somerset area:
 - Type (a) Discretionary relief which is defined by legislation and borne by the Council and Government under the Business Rates Retention provision (50%/50%);

 A variety of approaches are being undertaken within each district and none of the existing districts are aligned in their approach in any way;
 - Type (b) Discretionary relief which is wholly defined by the Council and borne by the Council and Government under the Business Rates Retention provision (50%/50%) (Localism provisions);

There are no current awards under these provisions and therefore the new Council has the ability to define its own policy without any impact on existing cases; and

 Type (c) Discretionary relief which is wholly defined by the Government and reimbursed by the Government under a S31 Grant:

All districts adopt Government guidance in full in order to assist business and fully reclaim the S31 Grants available. For completeness, details of these reliefs have been included within the proposed policy document.

Hardship (S49)

2.7 All authorities have the ability to reduce or remit rates liabilities where hardship is proven under S49 of the Local Government Finance Act 1988. Most authorities adopt a flexible policy and cases are assessed on a case by case basis. Any amount of reduction awarded is met under the business rates retention scheme.

Mandatory Rate Relief

2.8 Detailed below, for information, are the areas and types of organisations who are eligible to receive mandatory rate relief. Eligibility for these reliefs is prescribed in legislation and we have no local discretion in these areas, although, as outlined above, we do have the discretion to provide 'top-up' discretionary relief in certain instances.

Table 1

Mandatory Relief type	Percentage	Qualifying criteria
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	awarded		
Charitable Organisations	80%	Occupied wholly and mainly occupied and used	
(includes CASCs)		wholly or mainly for charitable purposes	
Charity Shops 80%		Occupied wholly and mainly occupied and used	
		wholly or mainly for charitable purposes. Goods for	
		sale are wholly or mainly donated to the charity	
Rural Rate Relief 50%		Qualifying Rural Post Offices, General Stores, Public	
		Houses, Petrol Filling Stations, Rural Food Shops	
50%		Government also finances the remaining 50% relief	
		in the case of qualifying rural premises	
Public Lavatories	100%	Hereditaments consisting wholly or mainly of public	
		lavatories	

3.0 Proposed aligned discretionary policy for the new Council

- 3.1 The creation of a single Somerset Council requires the development of a single unified approach in all areas relating to both discretionary rate relief and hardship to ensure equality across all the whole of the Somerset area.
- 3.2 The proposed policy is attached at Appendix 1 and is summarised below.

Type (a) Discretionary relief which is defined by legislation and borne by the Council and Government under the Business Rates Retention provision

3.3 As all of the Districts operate separate approaches, it is essential that a single approach is adopted which is both robust and also simple to operate and understand across the whole of the Somerset area. It is recommended that a simplified system is implemented. The essential advantage of such a system would be that it would allow for uniformity across the whole area whilst at the same time applying a high level of reasonableness given the need to be fair to all applicants and the need to align any relief with the key aims of the new authority. The recommended approach is as follows (Table 2):

Table 2

Relief Type	Maximum possible relief	Proposed relief & qualifying criteria
Mandatory Recipients – 'Top Up' (Discretionary) Excluding CASCs	20%	20% for all local (wholly or mainly Somerset Based) Charities
Discretionary Relief – Non Profit Making organisations	100%	75% for all local (wholly or mainly Somerset Based) organisations
Discretionary Relief – Non	100%	75% for all local (wholly or mainly Somerset

Relief Type	Maximum possible relief	Proposed relief & qualifying criteria
Profit Making Recreation		Based) recreation clubs
Clubs		
		All clubs are encouraged to claim CASC status
Mandatory Recipients –	20%	20% for all local (wholly or mainly Somerset
'Top Up' (Discretionary)		Based) CASCs
CASCs		
Rural Rate Relief –	100%	75% for all local (wholly or mainly Somerset
Discretionary Only (small		Based) rural businesses
number of cases that fall		
with the criteria)		

- 'Somerset based' means organisations which are wholly or mainly based in Somerset and are wholly or mainly for the benefit of the Somerset area i.e. at least 51% of the organisation is located within Somerset and at least 51% of the benefits, support, objectives etc. of the organisation are delivered within and for the Somerset area; and
- CASC means Community Amateur Sports Club as defined by HMRC.
- 3.4 The proposed scheme will target support at Somerset based organisations only, as defined above.
- 3.5 Schools (except for Somerset based play groups, pre-schools and child nurseries) will be specifically excluded from receiving relief.
- 3.6 In all cases it is recommended that the amount of relief is limited to a maximum of £10,000 per hereditament per annum.
- 3.7 All ratepayers wishing to apply for relief will be required to make a full application prior to the commencement of the 2023/24 financial year or on receipt of their rates bill.
- 3.8 The Business Rates Rating List is due to be revalued with effect from 1st April 2023 and all linked legislation such as the rateable values of hereditaments, the level of the multiplier; the rateable value limits for the various reliefs; and the authority's share from the Business Rates Retention scheme, is subject to change. These changes are likely to be set by Government in December 2022 / January 2023.
- 3.9 In view of the revaluation exercise and associated changes, the proposed policy provides the delegated powers for the S151 Officer in conjunction with the relevant Lead Member to vary the amount (percentage) and / or the maximum relief cap limit if necessary, in line with the changes in the rating list, rateable values and legislation generally.

Type (b) Discretionary relief which is wholly defined by the Council and borne by the Council and Government under the Business Rates Retention provision – Localism

3.10 Given that there are no current ratepayers receiving relief under these provisions, it is recommended that any applications be considered on an individual basis with effect from 1st April 2023 in line with the overarching policy shown within Appendix 1.

Type (c) Discretionary relief which is wholly defined by the Government and reimbursed by the Government under a S31 Grant

- 3.11 Reliefs under these provisions are initiated and paid in full by Central Government. There are a range of reliefs available and the Treasury use these to mitigate the effects of economic downturns or to encourage businesses to develop in certain areas or sectors.
- 3.12 Given that the reliefs are fully funded, it is recommended that the Council adopts all S31 Government funded discretionary reliefs in accordance with any guidance issued. For completeness, details of these reliefs have been included within the proposed policy document.

Hardship (S49 Local Government Finance Act 1988)

3.13 The Council has the power to remit or reduce rates under S49 of the Local Government Finance Act 1988. The recommended policy to be adopted by the Council is shown at Appendix 1. If accepted, applications for hardship relief after the 1 April 2023 will continue to be considered on a case by case basis.

Impact of the proposed changes

- 3.14 The proposed changes will only have specific impact on discretionary reliefs applied for under Type (a) above i.e. discretionary relief which is defined by legislation and borne by the Council and Government under the Business Rates Retention provision. Reliefs awarded under the other categories are either determined on a case-by-case basis or to criteria predetermined by Government.
- 3.15 A high level comparison exercise has been undertaken in each district to identify the impacts of the proposed new scheme against different types of organisations who qualify under the existing local district schemes. (NB. It has not been possible to undertake a detailed case-by-case modelling exercise across the four districts due to software and resourcing constraints. This exercise would, in any case, be rendered inaccurate due to the revaluation of all business rates next year).
- 3.16 The results of this comparison exercise are set out in Appendix 3. In summary this exercise indicates that:
 - Mandatory top-up recipients little impact in three of the existing districts, where
 it will result in minor increases and decreases. Greater impact in the South
 Somerset area where locally based charities, who do not currently receive top-up
 relief, would benefit, but national charities would lose out. Potentially significant

impact on a nationally based leisure provider who would lose the top-up relief currently provided of circa £58k.

- Non profit making organisations minimal impact anticipated across the four districts, as very few cases currently apply for and receive this relief.
- Non profit making recreational clubs again, minimal impact anticipated across the four districts as small numbers of organisations involved.
- Mandatory top-up for Community Amateur Sports Clubs (CASCs) overall minor impact, as only effects small numbers of clubs. In most cases this will see small increases in the amounts of top-up relief paid.
- Rural Rate Relief Discretionary only very minor impact due to the small number of businesses who currently claim this relief.

It has not been possible to map the precise financial impact of the proposed new scheme. However, the high-level comparison exercise indicates that the overall impact of the proposed new scheme on current spend is minimal.

Community libraries

3.17 A detailed exercise has also been undertaken to identify the impact on Community Libraries. There are a number of these in operation across the County area. We have not identified any that would be detrimentally impacted by the proposed scheme.

Public toilets

3.18 Questions were also raised at the Scrutiny for Policies & Place Committee on 11th October 2022 regarding the impact on public toilets. These proposals will have no impact on public toilets, which are covered by a separate and specific legislation – 'The Non-Domestic Rating (Public Toilets) Act'. Under this act separately assessed public toilets receive 100% relief.

4.0 Recommendations

- 4.1 The recommendations set out within this report will enable the new authority to continue to support key businesses and other organisations within the Somerset Council area with comprehensive and aligned policies that will be applied across the whole of the Somerset area.
- 4.2 The Executive are asked to consider the proposed policy, as outlined above and in Appendix 1, and make recommendations for the agreement of an aligned policy to Full Council on 23 November 2022.

5.0 Links to County Vision, Business Plan and Medium-Term Financial Strategy

5.1 The corporate priorities for the new council are emerging but not yet agreed. It is reasonable to assume however, that the new Council will wish to support local charities and not for profit organisations, whilst also ensuring that the cost of providing support is affordable.

6.0 Financial Implications

- 6.1 The existing districts currently incur £900k per annum (in total) in respect of reliefs which are not fully funded by Central Government. However, this cost is partly funded by Government (approximately 50%) under the business rates retention scheme.
- 6.2 The Council is not able to fix an exact budget given the nature of discretionary relief, the changes in rateable value with effect from 1st April 2023, the changes in Business Rates Retention and changes in legislation which will be introduced alongside the new rating list. However, it is anticipated that the costs for future reliefs will be in the same region as current spend.

7.0 Legal Implications

7.1 The recommendations made will meet the Council's legal obligations under Sections 47 and 49 of the Local Government Finance Act 1988.

8.0 Other Implications

Equalities Implications

- 8.1 Consideration has been given to our obligations under the Public Sector Equality Duty in developing the proposed approach to Non Domestic Rate discretionary reliefs in the areas where we have discretion. Much of the discretionary relief we award will, by law, be awarded to organisations such as charities, community amateur sports clubs and other non-profit making organisations. The proposed scheme aims to align the different approaches currently taken across the existing four districts and targets relief to organisation primarily based in and providing support and facilities within the Somerset area. The proposals are designed to require open access to all in protected groups, where relevant, to things such as recreational clubs as part of the qualifying criteria for relief.
- 8.2 An Equalities Impact Assessment has been undertaken and is included at Appendix 2.
- 8.3 However, in summary, there are no equalities implications resulting from the proposed approach. All ratepayers who meet the requirements of the legislation, will be treated fairlyy across the whole of the Somerset area.

Climate Change implications

8.4 None.

Health and Wellbeing Implications

- 8.5 The recommendations and policy (including localism) is designed to support local (Somerset based) charities and non-profit making organisations.
- 8.6 The S49 Hardship policy is designed to assist ratepayers who are clearly suffering hardship.

9.0 Scrutiny comments / recommendations

- 9.1 Scrutiny for Policies and Place considered these proposals on 11th October 2022.
- 9.2 Scrutiny were broadly supportive of the proposals but requested that more detail be added to the report to:
 - i) Outline the areas and types of organisations covered by Mandatory Relief this information has now been included above; and
 - ii) Provide information about the types of organisations who are potentially detrimentally affected in each existing district area by the proposed changes this information has been included at Appendix 3.
- 9.3 Questions were also asked about the impact of the proposals on the rate relief specifically for community libraries and public toilets. More detail has been provided above in section 3 above.

10.0 Background Papers

10.1 <u>The Non Domestic Rate Discretionary Relief Policy Report</u> that went to Scrutiny for Policies & Place on 11th October 2022.

11.0 Report Sign-Off

		Date completed
Legal Implications	Tom Woodhams	8 Nov 2022
Governance	Scott Wooldridge	7 Nov 2022
Corporate Finance	Jason Vaughan	7 Nov 2022
Customers, Digital and Workforce	Chris Squire	7 Nov 2022

Property	Paula Hewitt / Oliver Woodhams	2 Nov 2022
Procurement	Jason Vaughan	8 Nov 2022
Senior Manager	Jason Vaughan	7 Nov 2022
Commissioning Development	Sunita Mills / Ryszard Rusinek	2 Nov 2022
Executive Member	Cllr Liz Leyshon – Lead Member for	7 Nov 2022
	Finance & Human Resources	
Consulted on report		
Local Member	N/A	
Opposition Spokesperson	Cllr Mandy Chilcott	2 Nov 2022
Scrutiny Chair	Cllr Gwil Wren	2 Nov 2022

Appendix 1

Somerset Council Non Domestic Rating Discretionary Rate Relief and Hardship Policy 2023/24

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1.0 Purpose of the Policy

- 1.1 The purpose of this policy is to determine the level of discretionary relief and related areas to be granted to certain defined ratepayers within the Council's area. The policy includes all changes effective from 1 April 2023 and includes all extended reliefs due to the COVID-19 crisis and the Government specified reliefs due to the revaluation. The Council is keen to support businesses as far as possible.
- 1.2 The Local Government Finance Act 1988 and subsequent legislation requires the Council to grant mandatory relief for premises occupied by Charities and similar organisations that own or occupy them wholly or mainly for charitable purposes. Likewise, certain premises situated within a rural settlement area will be eligible for mandatory relief. Powers have also been granted under the Localism Act 2011, which allow for the granting of discretionary rate relief to any premises where the Council feels the granting of such relief would be of benefit to the local community.
- 1.3 In addition to the above, Central Government is keen that in certain cases, assistance will be provided to businesses who have had increases in their rate liability due to the revaluation of premises in April 2017 or have been affected by the COVID-19 crisis. In these cases, and where the Council meets Central Government guidelines, grants are available under section 31 of the Local Government Act 2003.
- 1.4 Whilst the Council is obliged to grant relief to premises, which fall within the mandatory category, the Council also has powers to grant discretionary relief and reductions to ratepayers, subject to certain criteria being met. In the case of the new reliefs, some guidance has been issued by Central Government outlining actions expected to be taken by local authorities. This policy includes Government guidance where appropriate but also looks to target discretionary relief in line with the Council's priorities.
- 1.5 This document outlines the following areas:
 - Details of the criteria for receiving Discretionary Reliefs for all relevant areas;
 - The Council's policy for the granting of all types of Discretionary Reliefs;
 - Guidance on granting and administering the reliefs and awards; and
 - The Council's Scheme of Delegation.
- 1.6 Where organisations apply for relief they will be granted (or not granted) relief or reductions in line with the following policy.

2.0 Mandatory Relief - Legislative Background

Charity Relief

- 2.1 The powers relating to the granting of mandatory¹ and discretionary relief are given to the Council under the Local Government Finance Act 1988². Charities and Trustees for Charities are only liable to pay one fifth of the Non-Domestic Rates that would otherwise be payable where property is occupied and used wholly or mainly for charitable purposes. This amounts to mandatory relief of 80%. For the purposes of the Act, a charity is an organisation or trust established for charitable purposes, whether or not it is registered with the Charity Commission. The provision has been extended under the Local Government Act 2003 (effective from 1 April 2004) to registered Community Amateur Sports Clubs (CASCs). Full details of the mandatory provisions are given later within this policy.
- 2.2 In the case of charity shops, the premises must meet the criteria laid down by section 64 (10) of the Local Government Finance Act 1988 which states that the premises are to be treated as used for charitable purposes at any time it is wholly or mainly used for the sale of goods donated to the charity and the proceeds of goods (after any deductions for expenses) are applied for the purpose of the charity.
- 2.3 The Council has discretion to grant relief of up to a further 20% for these mandatory cases under its discretionary provisions.

Rural Rate Relief

- 2.4 From 1 April 1998, under powers originally granted to the Council by the Local Government and Rating Act 1997³, certain types of business in rural settlements, with a population below 3000 may qualify for mandatory rate relief of 50% Businesses that qualify for this relief are the sole general store and the sole post office in the settlement, provided it has a Rateable Value of up to £8,500; any food shop with a Rateable Value of up to £8,500; and the sole pub and the sole petrol station in the settlement provided it has a Rateable Value of up to £12,500.
- 2.5 From 1 April 2017 onwards, Central Government has indicated that it wants all authorities to give 100% relief to premises that receive mandatory rural rate relief. The legislation enabling this will not be forthcoming for some time and therefore it has indicated that where the additional 50% is granted, a section 31 grant will be made available to the Council. This is dealt with further within this policy and the Council will automatically grant the additional 50% discretionary relief where appropriate.
- 2.6 Where businesses in rural settlements have a Rateable Value of up to £16,500 **and** are not in receipt of mandatory relief, the Council may decide to give up to 100% discretionary relief if it is satisfied that the business is of benefit to the community and having regard to the

¹ S43 & S45 Local Government Finance Act 1988

² S47 & S48 Local Government Finance Act 1988

 $^{^{\}rm 3}$ LGFA 1988, s.47, as amended by Sch. 1 to the Local Government and Rating Act 1997

interests of its Council Taxpayers. It should be noted that the limits mentioned in 2.4, 2.5 or 2.5 will need to be reviewed by Government before 1 April 2023, when the next rating list comes into force.

Public Lavatories

2.7 Where a hereditament is occupied and consists wholly or mainly as a public lavatory, 100% mandatory relief is available. This relief is only available with effect from 1 April 20 and was inserted by the Non-Domestic Rating (Public Lavatories) Act 2021.

3.0 Discretionary Relief - Legislative Background

Introduction

- 3.1 The original purpose of discretionary relief was to provide assistance where the property does not qualify for mandatory relief, or to 'top' up cases where ratepayers already receive mandatory relief.
- 3.2 Over recent years and particularly since 2011, the discretionary relief provisions have been amended to allow authorities the flexibility to provide more assistance to businesses and organisations.
- 3.3 The range of bodies, which are eligible for discretionary rate relief, is wide and not all of the criteria laid down by the legislation will be applicable in each case.
- 3.4 Unlike mandatory relief, 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 and evidence as required in order to determine whether relief should be awarded.
- 3.5 The Council is obliged to carefully consider every application on its merits, taking into account the contribution that the organisation makes to the amenities within the authority's area. There is no statutory appeal process or Tribunal against any decision made by the Council although, as with any decision of a public authority, decisions can be reviewed by Judicial Review. The authority will however, upon request, review decisions made. Details of the internal review process are given within this policy.
- 3.6 Granting of the relief falls broadly into the following categories:
 - (a) Discretionary Relief Charities who already receive mandatory relief (shown in Appendix A);
 - (b) Discretionary Relief Premises occupied by organisations not established or conducted for profit whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts **or** premises occupied by organisations not established or conducted for profit and wholly or mainly used for purposes of recreation (shown in Appendix B);

- (c) Discretionary Relief Rural Rate Relief premises that already receive mandatory relief (shown in Appendix C);
- (d) Discretionary Relief Rural Rate Relief premises not receiving mandatory relief but of benefit to the local community and less than £16,500 RV (shown in Appendix D);
- (e) Discretionary Relief Granted under the Localism Act 2011 provisions (shown in Appendix E);
- (f) Local Newspaper Relief (from 1 April 2017 until 2025) (shown in Appendix F);
- (g) Retail, Hospitality and Leisure Relief (from 1 April 2022 for a period of one year) (shown in Appendix G);
- (h) Transitional Relief and Supporting Small Business Rate Relief (from 1 April 2022) (shown in Appendix H);
- 3.7 The decision to grant or not to grant discretionary relief is a matter purely for the Council. In the case of G and H, the reliefs will remain relevant until 30th September 2023, when no further relief can be granted.
- 3.8 In addition to the granting of discretionary relief, the Council's policy in respect of S49 Hardship is provided in Appendix I.

The Council's general approach to granting Discretionary Relief

- 3.9 In deciding which organisations should receive discretionary rate relief, the Council has considered the following factors and priorities:
 - (a) Relief granted by the previous districts Councils;
 - (b) The policy should support business, charities, organisations, and groups that are wholly or mainly in the Somerset area (at least 51% based in Somerset and supporting Somerset residents, businesses, or other organisations);
 - (c) To help to retain services in rural areas;
 - (d) Help and encourage businesses, charities, organisations, groups, and communities to become self-reliant;
 - (e) Awarding discretionary relief should not distort competition; and
 - (f) Every business/ organisation should contribute something towards the provision of local services; and
 - (g) Since March 2020, provide assistance to ratepayers suffering from the effects of the COVID-19 crisis.
- 3.10 Where any reduction or remission is granted to a ratepayer under S49 Local Government Finance Act 1988 (where hardship is proven to the Council), then there will be no requirement to grant Discretionary Rate Relief for that amount.
- 3.11 In certain cases, the order in which relief is granted is specified. Mandatory relief shall be granted in all cases where the criteria is met irrespective of whether discretionary relief can be granted or not.

The Council's approach to granting Government led Discretionary Relief schemes

3.12 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 maximise any grants receivable. However, the Council reserves the right to vary its approach where thought appropriate.

4.0 Effect on the Council's Finances

- 4.1 The granting of discretionary relief will, in the main, involve a cost to the Council. Since the change to the funding for Non-Domestic Rating in April 2013, the effect of the relief is complex.
- 4.2 Any amounts granted prior to 1 April 2013 and continuing since that date will be included in the Council's baseline within the Business Rates Retention Scheme. For any amounts granted for similar cases after 1 April 2019, the costs of the relief will be borne in accordance with the Business Rates Retention Scheme share namely 50% borne by Central Government, and 50% by Somerset Council. This also applies where mandatory relief is granted.
- 4.3 Where Central Government leads an initiative, grants are often available through section 31 of the Local Government Act 2003. This is not automatic and Central Government will look to the Council to adopt the recommended approach when granting in these areas

4.4 The financial effects of discretionary reliefs covered by this policy are as follows

Appendix	Relief Type	Granted after 1 April 2023
	Charity Relief	
А	Discretionary relief granted to Mandatory Relief recipients	50% borne by the Council
В	Non-profit Making Organisations including Sports Clubs and societies	50% borne by the Council
	Rural Rate Relief	
С	50% Discretionary relief granted to Mandatory Rural Relief recipients	Section 31 Grant
D	Other premises within a rural settlement under £16,500 RV	50% borne by the Council
	Localism	
E	Discretionary Relief granted to ratepayers generally and not covered by any other section	50% borne by the Council
	Local Newspaper Relief	
F	Discretionary Relief granted to local newspapers meeting the criteria (From 1 April 2017 until 2025)	Section 31 Grant
	Retail, Hospitality and Leisure Relief	

Appendix	Relief Type	Granted after 1 April 2023
	(2022/23)	
G	Retail, Hospitality and Leisure Relief	Section 31 Grant
	(from 1 April 2022 for a period of one	
	year)	
	Transitional Relief & Supporting Small	
	Business Rates Relief (2022/23)	
Н	Transitional Relief and Supporting Small	Section 31 Grant
	Business Rates Relief (from 1 April 2022	
	for a period of one year)	
	S49 Hardship Relief	
1	Hardship relief as defined by S49 of the	50% borne by the Council
	Local Government Finance Act 1988	

5.0 Administration of Discretionary Relief

5.1 The following section outlines the procedures followed by officers in granting, amending, or cancelling discretionary relief and reduction. This is essentially laid down by legislation⁴

Applications and Evidence

- 5.2 All reliefs must be applied for. Application forms (where required) are available both in hard copy and electronic format. The relevant application forms are available from the Council. The Council will specify how applications are to be received and this may vary from time to time.
- 5.3 Organisations are required to provide a completed application form plus any such evidence, documents, accounts (normally the last two years), 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.
- 5.4 Applications should initially be made to the Revenues and Benefits Service and will be determined in accordance with this policy.
- 5.5 The Council will provide this service and provide guidance free of charge. Ratepayers are encouraged to approach the Council direct and NOT pay for such services through third parties. Applications will be accepted from ratepayers only.

Granting of relief

- 5.6 In all cases, the Council will notify the ratepayer of decisions made.
- 5.7 Where an application is successful, then the following will be notified to them in writing:

⁴ The Non-Domestic Rating (Discretionary Relief) Regulations 1989

- 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. (It should be noted that reliefs are granted for the period specified in the appropriate Appendix and may vary from a day to a full financial year);
- The new chargeable amount;
- The details of any planned review dates and the notice that will be given in advance of a change to the level of relief granted; and
- A requirement that the applicant should notify the Council of any change in circumstances that may affect entitlement to relief.
- 5.8 Where relief is not granted, then the following information is provided, again in writing:
 - An explanation of the decision within the context of the Council's statutory duty; and
 - An explanation of the appeal rights (see below).
- 5.9 Discretionary relief is to be granted from the beginning of the financial year in which the decision is made or when liability begins whichever is the later. Since 1997 decisions can be made up to 6 months after the end of the financial year for which the application was made. In such cases, the Council *may* backdate its decision.
- 5.10 A decision to award discretionary relief and how much relief is given is normally only applicable to the financial year for which the application is made. However, the Council reserves the right to grant relief for any other period as appropriate.
- 5.11 A fresh application for discretionary relief will be necessary for each financial year **or** at such time-period as the Council determines.

Variation of a decision

- 5.12 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 (excluding rateable value increases) or a change in the Council's decision which increases the award this will apply from a date determined by the Council as appropriate;
 - Where the amount is to increase for any other reason, it will take effect at the expiry of a financial year unless it is granted for a fixed period;
 - 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 from a date determined by the Council as appropriate;
- 5.13 A decision may be revoked at any time however; a one-year period of notice will be given, and the change will take effect at the expiry of a financial year.

6.0 Scheme of Delegation

Granting, Varying, Reviewing and Revocation of Relief

- 6.1 All powers in relation to reliefs are given under the Local Government Finance Act 1988, the Local Government and Rating Act 1997, the Local Government Act 2003, and the Localism Act 2011. However, section 223 of the Local Government Act 1992 allows for delegation of decisions by the Council to Cabinet, Committees, Sub-Committees or Officers.
- 6.2 The Council's S151 Officer in conjunction with the relevant Lead Member are delegated powers to vary the amount (percentage) and / or the maximum relief cap limit if necessary, in line with changes in the rating list, rateable values and legislation generally.
- 6.3 The Council's scheme of delegation allows for the Revenues and Benefits Service to award, revise or revoke any discretionary relief applications. However, any application which is considered to be of a significant nature or subject to review, will be subject to consultation with the Council's S151 Officer, relevant service director or service manager.
- 6.4 Applications that are refused will, on request, be reconsidered if additional supporting information is provided or the refusal is subsequently considered to be based on a misinterpretation of the application.

Reviews

6.5 The policy for granting relief will be reviewed periodically or where there is a substantial change to the legislation or funding rules. At such time, a revised policy will be brought before the relevant committee of the Council.

Appeals

- 6.6 Where the Council receives an appeal from the ratepayer regarding the granting, non-granting or the amount of any discretionary relief, the case will be reviewed by Revenues and Benefits Service. Where a decision is revised then the ratepayer shall be informed, likewise if the original decision is upheld.
- 6.7 Where the ratepayer wishes to appeal the decision, the case will be considered by the Council's Section 151 Officer, relevant service director or service manager whose decision on behalf of the Council will be final.
- 6.8 Ultimately the formal appeal process for the ratepayer is Judicial Review although the Council will endeavour to explain any decision fully and openly with the ratepayer.

7.0 Reporting changes in circumstances

7.1 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 or in any event within 21 days of the change. 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.
- 7.2 Where a change of circumstances is reported, the relief will, if appropriate, be revised or cancelled as appropriate. Where any award is to be reduced, the Council will look to recover the amount from the date the change of circumstances occurred.

8.0 Fraud

8.1 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.

PAPER D	
Appendix A Discretionary Relief – Mandatory Relief recipients	
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Discretionary Relief – Mandatory Relief recipients

General Explanation

- A.1 S43 of the Local Government Finance Act 1988 allows mandatory relief (80%) to be granted on premises if the ratepayer is a charity or trustees for a charity and the premises are wholly or mainly used for charitable purposes. No charge is made in respect of unoccupied premises where it appears that when next in use it will be used wholly or mainly for those purposes.
- A.2 The legislation has been amended by the Local Government Act 2003 (effective from 1 April 2004) to include registered⁵ Community Amateur Sports Clubs (CASC). These organisations can now receive the mandatory (80%) relief.

Charity registration

- A.3 Charities are defined within the legislation as being an institution⁶ or other organisation established for charitable purposes only or by persons administering a trust established for charitable purposes only.
- A.4 The question as to whether an organisation is a charity may be resolved in the majority of cases by reference to the register of charities maintained by the Charity Commissioners under s.4 of the Charities Act 1960. Entry in the register is conclusive evidence. By definition, under the Non-Domestic Rating legislation, there is no actual need for an organisation to be a registered charity to receive the relief and this has been supported by litigation⁷, however in all cases the organisation must fall within the following categories:
 - trusts for the relief of poverty;
 - trusts for the advancement of religion;
 - trusts for the advancement of education; and
 - trusts for other purposes beneficial to the community, but not falling under any of the preceding heads.
- A.5 Certain organisations are exempted from registration generally and are not required to make formal application to the Charity Commissioners these are:
 - the Church Commissioners and any institution administered by them;
 - any registered society within the meaning of the Friendly Societies Acts of 1896 to 1974;
 - units of the Boy Scouts Association or the Girl Guides Association; and
 - voluntary schools within the meaning of the Education Acts of 1944 to 1980.
- A.6 The Council will consider charitable organisations, registered or not, for mandatory relief.

Use of Premises - wholly or mainly used

⁵ Registered with HMRC as a CASC

⁶ S67(10) Local Government Finance Act 1988

⁷ Income Tax Special Commissioners v Pemsell (1891)

- A.7 Irrespective of whether an organisation is registered as a charity or not, the premises **must** be wholly or mainly used for charitable purposes. This is essential if any relief (either mandatory or discretionary) is to be granted. In most cases this can be readily seen by inspection, but on occasions the Council has had to question the actual use to which the premises are to be put. In some cases, it will be necessary for the Council to inspect any premises fully.
- A.8 Guidance from the (then) Department of Communities and Local Government (DCLG) has stated that in the case of 'mainly', at least 51% must be used for charitable purposes whether of that charity or of that and other charities
- A.9 The following part of this section gives details on typical uses where relief may be given plus additional criteria that have to be satisfied. The list is not exhaustive but gives clear guidance on premises for which mandatory relief can be granted *and therefore* premises which may be equally considered for discretionary rate relief.

Offices, administration, and similar premises

- A.10 Premises used for administration of the Charity include:
 - Offices;
 - Meeting Rooms; and
 - Conference Rooms.

Charity shops

- A.11 Charity shops are required to meet additional legislative criteria if they are to receive mandatory relief. Section 64 (10) of the Local Government Finance Act 1988 provides that a property is to be treated as being wholly or mainly used for charitable purposes at any time if, at the time, it is wholly or mainly used for the sale of goods donated to a charity and the proceeds of the sale of the goods (after any deduction of expenses) are applied for the purposes of the charity.
- A.12 In order to ascertain whether an organisation meets these requirements, inspections may be made by an officer of the Council when an application is received.

Granting of Mandatory Relief - the Council's Policy

A.13 Where the criteria for awarding mandatory relief are met, the rate charges shall be calculated in accordance with the legislation reducing the liability of ratepayers for each day that the criteria are met.

Charity Relief – Mandatory Relief recipients, the Council's Policy for granting discretionary relief.

A.14 The Council has resolved to grant the following discretionary relief where the applicants already receive mandatory charity relief:

Relief Type	Maximum possible relief	Proposed relief & qualifying criteria
Mandatory Recipients –	20%	20% for all local (wholly or mainly Somerset
'Top Up' (Discretionary)		Based) Charities
Excluding CASCs		Subject to a cap per hereditament of
(Business Rates)		£10,000.
Mandatory Recipients –	20%	20% for all local (wholly or mainly Somerset
'Top Up' (Discretionary)		Based) CASCS
CASCs		Subject to a cap per hereditament of
(Business Rates)		£10,000.
Rural Rate Relief –	100%	75% for all local (wholly or mainly Somerset
Discretionary Only (small		Based) rural businesses
number of cases that fall		Subject to a cap per hereditament of
within the criteria)		£10,000.

- Somerset based' means organisations which are wholly or mainly based in Somerset and are wholly or mainly for the benefit of the Somerset area i.e. at least 51% of the organisation is located within Somerset and at least 51% of the benefits, support, objectives etc. of the organisation are delivered within and for the Somerset area; and
- CASC means Community Amateur Sports Club as defined by HMRC.
- Schools (except for Somerset based play groups, pre-schools, and child nurseries) will be specifically excluded from receiving relief.
- A.15 The policy targets support at Somerset based organisations only, as defined above.
- A.16 Schools (except for Somerset based play groups, pre-schools, and child nurseries) will be specifically excluded from receiving relief.
- A.17 In all cases the total amount of discretionary relief awarded will be limited to a maximum of £10,000 per hereditament per annum. The amount of relief awarded will be calculated on a daily basis for the period concerned. Where the cap applies to the property and the relief awarded is for a period of less than a year the amount awarded will be in proportion to the amount of the £10,000 cap applicable for the number of days for which the relief is awarded.

	PAPE	R D		
Appendix B				
Discretionary Relief	– Non-Profit Mak	king Organisation	ns including	
Recreation				

Discretionary Relief – Non-Profit Making Organisations including Recreation

General explanation

Non-Profit

- B.1 The legislation⁸ allows the Council to grant discretionary relief where the property is not an *excepted* one and all or part of it is occupied for the purposes of one or more institutions or other organisations 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.
- B.2 Relief cannot be granted to any premises occupied by the Council, or any city, town, parish council or major Precepting Authority (excepted premises).
- B.3 A number of issues arise from the term 'not established or conducted for profit'. This requires the Council to make enquiries as to the overall purpose of the organisation although if surpluses and such amounts are directed towards the furtherance or achievement of the objects of the organisation then it does not necessarily mean that the organisation was established or conducted for profit.

Recreation Clubs

- B.4 Ideally all recreation clubs should be encouraged to apply for Community Amateur Sports Club (CASC) status, which would automatically entitle them to 80% relief. The relief granted to CASCs is covered earlier within this policy.
- B.5 Recreation clubs can also apply to the Charity Commissioners for registration as a Charity (thereby falling under the mandatory provisions for 80% relief) where they meet the following conditions:
 - (a) The promotion of community participation in healthy recreation and by the provision of facilities for the playing of particular sports; and
 - (b) The advancement of the physical education of young people not undergoing formal education.
- B.6 Where sports clubs do not meet the CASC requirement, and are not registered charities, discretionary relief can be granted (0-100%) where the property is not an *excepted* one, it is wholly or mainly used for purposes of recreation and all or part of it is occupied for the purpose of a club, society or other organisation not established or conducted for profit.

Definition of Recreation

⁸ S47 Local Government Finance Act 1988

B.7 Recreation is clearly defined by the Sports England as anything that meets the the Council of Europe's European Sports Charter 1993 definition of sport which is:

"Sport means all forms of physical activity which, through casual or organised participation, aim at expressing or improving physical fitness and mental well-being, forming social relationships or obtaining results in competition at all levels."

Access to clubs

- B.8 Guidance issued by the Government also requires the Council to consider access to clubs within the community before granting discretionary relief.
- B.9 Membership should be open to all sections of the community. There may be legitimate restrictions placed on membership which relate for example to ability in sport or to the achievement of a standard in the field covered by the organisation or where the capacity of the facility is limited, but in general membership should not be exclusive or restrictive.
- B.10 Membership rates should not be set at such a high level as to exclude the general community. However, membership fees may be payable at different rates that distinguish the different classes of membership such as juniors, adults, students, pensioners, players, non-players, employed and unemployed. In general, the club or organisation must be prepared to show that the criteria by which it considers applications for membership are consistent with the principle of open access.
- B.11 The Council also asks the following question to help establish the level of access "Does the organisation actively encourage membership from particular groups in the community e.g., young people, women, older age groups, persons with disability, ethnic minorities' etc.?"

Provision of facilities

- B.12 Clubs which provide training or education are encouraged, as are those who provide schemes for particular groups to develop their skills e.g., young people, the disabled, retired people.
- B.13 A number of organisations run a bar. The mere existence of a bar will not in itself be a reason for not granting relief. However, the Council focuses on the main purpose of the organisation. The Council is encouraged to examine the balance between playing and non-playing members.
- B.14 Within this area, the Council also considers whether the facilities provided relieve the Council of the need to do so or enhance and supplement those that it does provide.

Discretionary Relief - Non-Profit Organisations including Recreation - the Council's Policy

B.15 Applications will be considered from non-profit making organisations, which can

demonstrate the following:

- (a) That the activities of the organisation are consistent with the Council's core values and priorities;
- (b) That they are non-profit making associations, groups, clubs which are accessible to all potential users, possess a representative management group and are clearly accountable to users, beneficiaries, and members (e.g., evidence of constitution, membership and/or participation are required); and
- (c) That the membership comprises mainly residents of Somerset or that activities are of direct benefit to residents of the Somerset Council area.

B.16 The current policy is as follows:

Relief Type	Maximum possible relief	Proposed relief & qualifying criteria	
Discretionary Relief –	100%	75% for all local (wholly or mainly Somerset	
Non Profit Making		Based) organisations.	
organisations		Subject to a cap per hereditament of	
(Business Rates		£10,000.	
Retention)		No awards of discretionary relief will be made	
		to schools (except for Somerset based play	
		groups, pre-schools, and child nurseries)	
		under this section.	
Discretionary Relief –	100%	75% for all local (wholly or mainly Somerset	
Non Profit Making		Based) recreation clubs.	
Recreation Clubs		Subject to a cap per hereditament of	
(Business Rates		£10,000.	
Retention)		All clubs are encouraged to claim CASC	
		status.	
 Somerset based' means organisations which are wholly or mainly based in 			

- Somerset based' means organisations which are wholly or mainly based in Somerset and are wholly or mainly for the benefit of the Somerset area i.e. at least 51% of the organisation is located within Somerset and at least 51% of the benefits, support, objectives etc. of the organisation are delivered within and for the Somerset area; and
- CASC means Community Amateur Sports Club as defined by HMRC.
- B.17 The policy targets support at Somerset based organisations only, as defined above.
- B.18 Schools (except for Somerset based play groups, pre-schools, and child nurseries) will be specifically excluded from receiving relief.
- B.19 In all cases the total amount of discretionary relief awarded will be limited to a maximum of £10,000 per hereditament per annum. The amount of relief awarded will be calculated on a daily basis for the period concerned. Where the cap applies to the property and the relief awarded is for a period of less than a year the amount awarded will be in proportion to the amount of the £10,000 cap applicable for the number of days for which the relief is awarded.

PAPER D	
Appendix C Discretionary Relief - Rural Rate Relief - Mandatory Relief recipient	ts
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Discretionary Relief - Rural Rate Relief - Mandatory Relief recipients What are the qualifying criteria for Mandatory Relief?

- C.1 For a Post Office or General Store to be entitled to 50% Mandatory Relief, all the following criteria must be met:
 - The Rateable Value of the property must not exceed £8,500 (from 1 April 2010);
 - The property must be used as a Post Office or a General Store (see below for definition), or both;
 - The property must be the only Post Office or the only General Store within the Rural Settlement.
- C.2 For a Public House or Petrol Filling Station to be entitled to 50% Mandatory Relief, all the following criteria must be met:
 - The Rateable Value of the property must not exceed £12,500 from 1 April 2010);
 - The property must be used as a Public House (see below for definition) or a Petrol Filling Station (see below for definition); and
 - The property must be the only Public House or the only Petrol Filling Station within the Rural Settlement.
- C.3 For a village food shop to be entitled to 50% Mandatory Relief, all the following criteria must be met:
 - The Rateable Value of the property must not exceed £8,500 from 1 April 2010); and
 - The property must be used as a shop selling mainly food (see below for definition).

What is the definition of a General Store?

C.4 For the purposes of Rural Rate Relief, 'General Store' means a business or trade, which wholly or mainly sells by retail both food (other than confectionery) for human consumption and general household goods. Where there are two or more General Stores within the same Rural Settlement, none can qualify for Mandatory Relief on that basis, although if one of them functions as a Post Office or a Food Shop relief may be claimed independently on that ground. However, both a General Store and a Post Office in the same Rural Settlement will qualify for Mandatory Relief, provided that, they both meet the criteria. Although a General Store or a Post Office may not meet the criteria for Mandatory Relief, they may still be eligible to apply for Discretionary Relief.

What is the definition of a Public House?

C.5 For the purposes of Rural Rate Relief, 'Public House' means any premises as defined in the Licensing Act 2003, which has a premises license authorising sale by retail of alcohol for consumption on the premises. In addition, the premises must be used principally for retail sales of alcohol to members of the public for consumption on the premises, and sales must not be subject to the condition that buyers reside at or consume food on the premises.

What is the definition of a Petrol Filling Station?

C.6 For the purposes of Rural Rate Relief, 'Petrol Filling Station' means premises where petrol or other automotive fuels are sold retail to the general public for fuelling motor vehicles intended or adapted for use on roads

What is the definition of a Food Shop?

C.7 For the purpose of Rural Rate Relief, 'Food Shop' means a trade or business consisting wholly or mainly of the sale by retail of food for human consumption (excluding confectionery and catering – in this context catering means any supply of food for consumption on the premises on which it is supplied and any supply of hot food for consumption off the premises). This definition may also include shops, which sell mainly household foods and which may partly also sell hot take away food or food consumed on the premises. But shops whose main business is a restaurant, tearoom, take-away, or confectionery sales are not food shops and so will not qualify for mandatory relief.

What are the qualifying criteria for Discretionary Relief?

C.8 The Council may grant up to 50% Discretionary Relief in respect of any property which qualifies for 50% Mandatory Relief and the Council may also grant up to 100% Discretionary Relief to any rural business which does not meet the mandatory provisions. It should be noted that for 2017 onwards Central Government has requested that Council grant 50% discretionary relief to all ratepayers who receive 50% mandatory rural rate relief.

Rural Rate Relief – Mandatory Relief recipients, the Council's Policy for granting discretionary relief.

C.9 As Central Government has requested and fully funds any additional relief granted to ratepayers who receive mandatory rural rate relief, the Council will automatically grant the additional 50% until such time as primarily legislation is changed.

PAPER D	
Appendix D Discretionary Relief – Premises within Rural Settlements	
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Discretionary Relief – Premises within Rural Settlements

- D.1 In addition to having the ability to grant discretionary relief to those in receipt of mandatory relief, the Local Government and Rating Act 1997 allows discretionary relief of up to 100% to be granted where the rateable value is £16,500 or less and:
 - (a) Property is used for purposes which are of benefit to the local community; and
 - (b) It would be reasonable for the billing authority to award relief, having regards to the Council's Council Taxpayers.
- D.2 As with most discretionary relief, part of the cost, is met by Central Government and the balance from local sources.
- D.3 The main criteria for granting discretionary relief in respect of rural rate relief is that premises are used to benefit the local community.

Benefit to the local community

- D.4 Whilst each application for the relief will be considered on its own merits, there are certain factors which weigh heavily in the decision-making process. It is this Council's belief that the spirit of the legislation is to assist businesses and amenities, which contribute significantly to the quality of life of the people who have their main home in the Rural Settlement.
- D.5 To be successful for consideration, a business must show that its existence is a significant benefit to the local community with the majority of local residents directly benefiting from services or facilities provided by that business

Rural Rate Relief – the Council's Policy for granting discretionary relief.

- D.6 The Council will also consider applications for a discretionary rural rate relief from all ratepayers, not entitled to mandatory relief up to the levels in the table below.
- D.7 In determining the application the following matters will be taken into consideration:
 - The granting of any discretionary relief will be essential in ensuring the viability of any business within the rural settlement;
 - The granting of any discretionary relief is proportionate given the level of any business rates charged compared with the overall turnover of the business;
 - The granting of any discretionary relief will assist the business in continuing to be viable and / or prevent the business from failing;
 - The business is considered by the Council to be essential to the community and that any reduction or withdrawal of the business will have a serious detrimental effect on the rural settlement;
 - The granting of any discretionary relief is reasonable having regard to the effect on taxpayers of the Council.
- D.8 Where all of the above criteria are met the Council will grant the following relief:

Relief Type	Maximum possible relief	Proposed relief & qualifying criteria
Rural Rate Relief –	100%	75% for all local (wholly or mainly Somerset
Discretionary Only (small		Based) rural businesses.
number of cases that fall		
within the criteria)		
Somerset hased	means orga	nisations which are wholly or mainly based in

- Somerset based' means organisations which are wholly or mainly based in Somerset and are wholly or mainly for the benefit of the Somerset area i.e. at least 51% of the organisation is located within Somerset and at least 51% of the benefits, support, objectives etc. of the organisation are delivered within and for the Somerset area.
- D.9 The policy targets support at Somerset based organisations only, as defined above.
- D.10 Schools (except for Somerset based play groups, pre-schools, and child nurseries) will be specifically excluded from receiving relief.
- D.11 In all cases the total amount of discretionary relief awarded will be limited to a maximum of £10,000 per hereditament per annum. The amount of relief awarded will be calculated on a daily basis for the period concerned. Where the cap applies to the property and the relief awarded is for a period of less than a year the amount awarded will be in proportion to the amount of the £10,000 cap applicable for the number of days for which the relief is awarded.

PAPER D	
Appendix E	
Discretionary Relief – Localism Act 2011	
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Discretionary Relief – Localism Act 2011 General explanation

- E.1 Section 69 of the Localism Act 2011 amended Section 47 of the Local Government Finance Act 1988. These provisions allow all Councils to grant discretionary relief of **up to** 100% in **any** circumstances where it feels fit having regards to the effect on the Council Taxpayers of its area.
- E.2 The provisions are designed to give authorities flexibility in granting relief where it is felt that to do so would be of benefit generally to the area and be reasonable given the financial effect to Council Taxpayers. An example where the Council has granted relief in the past are where premises were affected by flooding.

Discretionary Relief - Localism - the Council's Policy

- E.3 Applications will be considered from any ratepayer who wishes to apply. However, where a ratepayer is suffering hardship or severe difficulties in paying their rates liability then relief can be granted under the existing provisions as laid down by Section 49 of the Local Government Finance Act 1988. There will be no requirement to grant relief in such cases under the Council's discretionary relief policy.
- E.4 The Council will consider any application for discretionary rate relief under these provisions against the following criteria and the amount of relief granted will be dependent on the overall level of compliance. (The Council reserves the right to vary the factors 1. and 3. below in exceptional circumstances where the occupation of the hereditament is of significant importance to the residents of Somerset);

Factor	Explanation	Comp	liant		
1	The ratepayer must not be entitled to mandatory rate relief				
	(Charity or Rural Rate Relief)				
2.	The ratepayer must not be entitled to Central Government funded				
	discretionary reliefs (S31 funded)				
3.	The ratepayer must not be an organisation that could receive relief				
	as a non-profit making organisation or as a sports club or similar				
4.	The ratepayer must occupy the premises (no discretionary rate				
	relief will be granted for unoccupied premises)				
5.	The premises and organisation must be of significant benefit to				
	residents of the Council's area				
6.	The premises and organisation must relieve the Council of				
	providing similar facilities				
7.	The ratepayer must ;				
	(i) Provide facilities to certain priority groups determined by				
	the Council such as elderly, disabled, minority groups,				
	disadvantaged groups; or				
	(ii) Provide significant employment or employment				

Factor	Explanation	Comp	liant		
	opportunities to residents of the Council; or				
	(iii) Provide the residents of the area with such services,				
	opportunities or facilities that cannot be obtained locally or				
	are not provided locally by another organisation				
8.	The ratepayer must demonstrate that assistance (provided by the				
	discretionary rate relief) will be for a short time only and that any				
	business / operation is financially viable in the medium and long				
	term				
9.	The ratepayer must show that the activities of the organisation are				
	consistent with the Council's core values and priorities				

E.5 Any relief granted will initially be considered for initially a short period (12 months maximum).

P	APER D	
Appendix F Local Newspaper Relief		
Local Newspaper Keller		
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General Explanation

- F.1 This is a relief that will be awarded until 2025 and the Government is not changing the legislation around the reliefs available to these properties. Central Government will reimburse local authorities that use their discretionary relief powers (under section 47(3)) of the Local Government Finance Act 1988 to grant relief in line with the eligibility criteria set out in this guidance.
- F.2 The Council will be compensated by Central Government through a grant under section 31 of the Local Government Act 2003.

Eligibility criteria

F.3 The scheme will provide a £1,500 relief for office space occupied by local newspapers up to a maximum of one discount per local newspaper title and per hereditament, per annum.

Local Newspapers

F.4 The relief is to be specifically for local newspapers and by that, the Council means what would be considered a "traditional local newspaper." The relief will not be available to magazines.

Office Space

F.5 The hereditament **must** be occupied by a local newspaper and wholly or mainly used as office premises for journalists and reporters.

Amount of Relief

F.6 The amount of relief is limited to a maximum of one discount per newspaper title (e.g., per newspaper name) **AND** per hereditament.

Local Newspaper Relief – the Council's policy for granting discretionary relief.

F.7 The Council has decided to grant relief strictly in accordance with Central Government guidelines.

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Appendix G Retail Hospitality and Leisure Relief Scheme (2022/23)	
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General Explanation

G.1 The 2022/23 Retail, Hospitality and Leisure Relief scheme will provide eligible, occupied, retail, hospitality, and leisure properties with a 50% relief, up to a cash cap limit of £110,000 per business.

Who is eligible for the relief?

- G.2 Hereditaments which benefit from the relief will be those which for a chargeable day in 2022/23:
 - (a) meet the eligibility criteria and
 - (b) the ratepayer for that chargeable day has not refused the relief for the eligible hereditament. The ratepayer may refuse the relief for each eligible hereditament anytime up to 30 April 2023. The ratepayer cannot withdraw their refusal for either all or part of the financial year.
- G.3 In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, the Council may not grant the discount to themselves certain precepting authorities (e.g., a parish or county council) or a functional body, within the meaning of the Greater London Authority Act 1999.

How much relief will be available?

- G.4 Subject to the £110,000 cash cap per business, the total amount of government-funded relief available for each property for 2022/23 under this scheme is for chargeable days from 1 April 2022 to 31 March 2023, 50% of the chargeable amount.
- G.5 The relief will be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, but before those where the Council has used their wider discretionary relief powers introduced by the Localism Act 2011, which are not funded by section 31 grants. The relief must be applied before Transitional Relief and Supporting Small Business Rate Relief (granted under S47).
- G.6 Subject to the cash cap, the eligibility for the discount and the relief itself will be assessed and calculated on a daily basis. The following formula should be used to determine the amount of relief to be granted for a chargeable day for a particular hereditament in the financial year 2022/23:
- G.7 The amount of relief to be granted = $V \times 0.5$ where:
 - V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any certain other discretionary reliefs
- G.8 Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties up to the maximum £110,000 cash cap, per business.

The cash cap and subsidy control

- G.9 Under the cash cap, no ratepayer can in any circumstances exceed the £110,000 cash cap across all of their hereditaments in England.
- G.10 Where a ratepayer has a qualifying connection with another ratepayer then those ratepayers should be considered as one ratepayer for the purposes of the cash caps. A ratepayer shall be treated as having a qualifying connection with another:
 - (a) where both ratepayers are companies, and
 - (i) one is a subsidiary of the other, or
 - (ii) both are subsidiaries of the same company; or
 - (b) where only one ratepayer is a company, the other ratepayer (the "second ratepayer") has such an interest in that company as would, if the second ratepayer were a company, result in its being the holding company of the other.
- G.11. Furthermore, the Retail Hospitality and Leisure Scheme is likely to amount to subsidy. Any relief provided by the Council under this scheme will need to comply with the UK's domestic and international subsidy control obligations
- G.12 To the extent that the Council is seeking to provide relief that falls within the Small Amounts of Financial Assistance Allowance, Article 364 of the TCA allows an economic actor (e.g., a holding company and its subsidiaries) to receive up to 325,000 Special Drawing Rights (£343,000 as at 9 December 2021) in a three-year period (consisting of the 2022/23 year and the two previous financial years). Expanded Retail Discount granted in either 2020/21 or 2021/22 does not count towards the £343,000 allowance but BEIS business grants (throughout the 3 years) and any other subsidies claimed under the Small Amounts of Financial Assistance limit should be counted.
- G.13 In those cases where it is clear to the Council that the ratepayer is likely to breach the cash cap or the Small Amounts of Financial Assistance limit then the authority should automatically withhold the relief.
- G.14 The amount of relief awarded will be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or the hereditament. This change of circumstances could arise during the year in question or during a later year.

Eligibility for the Retail, Hospitality and Leisure Relief Scheme

- G.15 Hereditaments that meet the eligibility for Retail, Hospitality and Leisure scheme will be occupied hereditaments which meet all of the following conditions for the chargeable day:
 - (a) they are wholly or mainly being used:
 - (i) as shops, restaurants, cafes, drinking establishments, cinemas, or live music venues;
 - (ii) for assembly and leisure; or
 - (iii) as hotels, guest & boarding premises, or self-catering accommodation.

G.16 The Council considers shops, restaurants, cafes, drinking establishments, cinemas, and live music venues to mean:

i. Hereditaments that are being used for the sale of goods to visiting members of the public:

- Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc)
- Charity shops
- Opticians
- Post offices
- Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
- Car/ caravan show rooms
- Second-hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)

ii. Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops, etc)
- Shoe repairs/ key cutting
- Travel agents
- Ticket offices e.g., for theatre
- Dry cleaners
- Launderettes
- PC/ TV/ domestic appliance repair
- Funeral directors
- Photo processing
- Tool hire
- Car hire

iii. Hereditaments that are being used for the sale of food and/or drink to visiting members of the public:

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bars

iv. Hereditaments which are being used as cinemas

v. Hereditaments that are being used as live music venues:

 Live music venues are hereditaments wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Hereditaments cannot be considered a live music venue for the purpose of business rates relief where a venue is wholly or

- mainly used as a nightclub or a theatre, for the purposes of the Town and Country Planning (Use Classes) Order 1987 (as amended).
- Hereditaments can be a live music venue even if used for other activities, but only if those
 other activities (i) are merely ancillary or incidental to the performance of live music (e.g.,
 the sale/supply of alcohol to audience members) or (ii) do not affect the fact that the
 primary activity for the premises is the performance of live music (e.g., because those
 other activities are insufficiently regular or frequent, such as a polling station or a
 fortnightly community event).
- G.17 The Council considers assembly and leisure to mean:
- i. Hereditaments that are being used for the provision of sport, leisure, and facilities to visiting members of the public (including for the viewing of such activities):
 - Sports grounds and clubs
 - Museums and art galleries
 - Nightclubs
 - Sport and leisure facilities
 - Stately homes and historic houses
 - Theatres
 - Tourist attractions
 - Gyms
 - Wellness centres, spas, massage parlours
 - Casinos, gambling clubs and bingo halls
- ii. Hereditaments that are being used for the assembly of visiting members of the public:
 - Public halls
 - Clubhouses, clubs, and institutions
- G.18 The Council considers hotels, guest & boarding premises, and self-catering accommodation to mean:
- i. Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business:
 - Hotels, guest, and boarding houses
 - Holiday homes
 - Caravan parks and sites
- G.19 To qualify for the relief the hereditament should be wholly or mainly being used for the above qualifying purposes. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.
- G.20 The list set out above is not intended to be exhaustive as it would be impossible to list the many and varied uses that exist within the qualifying purposes.
- G.21 The list below sets out the types of uses that the government does not consider to be an eligible use for the purpose of this discount.

- i. Hereditaments that are being used for the provision of the following services to visiting members of the public:
 - Financial services (e.g., banks, building societies, cash points, bureaux de change, short-term loan providers, betting shops)
 - Medical services (e.g., vets, dentists, doctors, osteopaths, chiropractors)
 - Professional services (e.g., solicitors, accountants, insurance agents/ financial advisers, employment agencies, estate agents, letting agents)
 - Post office sorting offices
- ii. Hereditaments that are not reasonably accessible to visiting members of the public

Retail Hospitality and Leisure Business Rates Scheme (2022/23) - the Council's policy for granting discretionary relief.

G.22 The Council has decided to grant relief strictly in accordance with Central Government guidelines.

PAPER D	
Appendix H Transitional Relief & Supporting Small Business Rates Relief (2022/23)	
Transitional Kener & Supporting Small Business Rates Rener (2022/25)	
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General Explanation

- H.1 The transitional relief scheme was introduced in 2017 to help those ratepayers who were faced with higher bills as a result of the revaluation. The scheme ends on 31 March 2022, as a result a small number of ratepayers would face a jump to their full rates bill from 1 April 2022.
- H.2 Government has announced that it would extend the current transitional relief (TR) scheme and the supporting small business scheme (SSB) for one year to the end of the current revaluation cycle. The scheme will restrict increases in bills to 15% for businesses with small properties (up to and including £20,000 rateable value) and 25% for medium properties (up to and including £100,000 rateable value).

How will the relief be provided?

H.3 As this is a temporary measure for 2022/23, the government is not changing the legislation around transitional relief. Instead, the government will, in line with the eligibility criteria set out in this guidance, reimburse the Council if it uses its discretionary relief powers, under section 47 of the Local Government Finance Act 1988, to grant relief.

Who is eligible for the relief?

- H.4 Hereditaments that will benefit are those with a rateable value up to and including £100,000 who would have received transitional relief and/or SSB in 2022/23. In line with the existing thresholds in the transitional relief scheme, the £100,000 rateable value threshold should be based on the rateable value shown for 1 April 2017 or the substituted day in the cases of splits and mergers.
- H.5 This policy does **not** apply to those in downward transition to lower bills, those will fall to their full bill on 1 April 2022.

How much relief will be available?

- H.6 Government will fund discretionary relief to ensure eligible properties receive the same level of protection they would have received had the statutory transitional relief scheme and SSB scheme extended into 2022/23.
- H.7 The practical effects of the transitional relief scheme should be assumed to remain as it is in the current statutory scheme (As prescribed in the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016 No. 1265) except that:
 - (a) the cap on increases for small properties (with a rateable value of less than or equal to £20,000/£28,000 in London) in 2022/23 will be assumed to be 15% (before the increase for the change in the multiplier). Specifically, X in regulation 10(6) for the year commencing 1 April 2022 will be assumed to be 115. Q in regulation 10(12) should be assumed to be 1; and

- (b) the cap on increases for other properties (up to and including £100,000 rateable value) in 2022/23 will be assumed to be 25% (before the increase for the change in the multiplier). Specifically, X in regulation 10(4) for year commencing 1 April 2022 will be assumed to be 125. Q will be assumed to be 1.
- H.8 The scheme applies only to hereditaments up to and including £100,000 rateable value based on the value shown for 1 April 2017 or the substituted day in the cases of splits and mergers.
- H.9 Changes in rateable value which take effect from a later date will be calculated using the normal rules in the transitional relief scheme. For the avoidance of doubt, properties whose rateable value is £100,000 or less on 1 April 2017 (or the day of merger) but increase above £100,000 from a later date will still be eligible for the relief. Where necessary the Valuation Office Agency will continue to issue certificates for the value at 31 March 2017 (regulation 17, SI 2016 No. 1265) or 1 April 2017 (regulations 16 and 18 SI 2016 No.1265). The relief will be calculated on a daily basis.
- H.10 The SSB scheme will be assumed to remain as it is in the Council's scheme (for periods up to 31 March 2022) with a percentage cap in 2022/23 of 15% plus inflation (or a cash value increase of £600 if greater).
- H.11 Where a ratepayer would have been in receipt of both transitional relief and SSB in respect of 2022/23, a single award of section 47 relief resulting in a chargeable amount equivalent to that had the original transitional relief and SSB schemes continued.

Subsidy control

- H.12 The extension of transitional relief and Supporting Small Business (SSB) relief scheme is likely to amount to subsidy. Any relief provided by the Council under this scheme will need to comply with the UK's domestic and international subsidy control obligations (See the BEIS guidance for public authorities which explains the subsidies chapter of the UK-EU Trade and Cooperation Agreement (TCA), World Trade Organisation rules on subsidies, and other international subsidy control commitments).
- H.13 To the extent that the Council is seeking to provide relief that falls within the Small Amounts of Financial Assistance Allowance, Article 364 of the TCA allows an economic actor (e.g. a holding company and its subsidiaries) to receive up to 325,000 Special Drawing Rights (£343,000 as at 9 December 2021) in a three-year period (consisting of the 2022/23 financial year and the two previous financial years) Expanded Retail Discount granted in either 2020/21 or 2021/22 does not count towards the £343,000 allowance but BEIS business grants (throughout the 3 years) and any other subsidies claimed under the Small Amounts of Financial Assistance limit, should be counted.
- H.14 In those cases where it is clear to the Council that the ratepayer is likely to breach the Small Amounts of Financial Assistance Allowance then the Council will automatically withhold the relief.

Recalculations of relief

H.15 As with the original transitional relief scheme, the amount of relief awarded will be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or to the hereditament. This change of circumstances could arise during the year in question or during a later year.

Calculating the extension of transitional relief and SSB where other reliefs apply

H.16 Under the statutory transition scheme which ends on 31 March 2022, transitional relief is measured before all other reliefs. But the extension of transitional relief and SSB into 2022/23 will be delivered via section 47 of the Local Government Finance Act 1988 which will be measured after other reliefs (including other funded reliefs granted under section 47 such as Retail, Hospitality and Leisure relief).

Transitional Relief & Supporting Small Business Rates Relief (2022/23) - the Council's policy for granting discretionary relief.

H.17 The Council has decided to grant relief strictly in accordance with Central Government guidelines.

PAPER D	
Appendix I The Council's policy in respect of S49 of the Local Government F Act 1988	inance
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General Explanation

I.1 The Council is able to exercise its discretion under Section 49 of the Local Government Finance Act 1988 to provide either partial or full relief for non-domestic rate payments in cases of hardship where it would be reasonable to do so having due regard to the interests of council taxpayers in general.

Discretionary Relief – Hardship – the Council's Policy

- 1.2 The Council will accept applications for hardship relief from individuals and organisations based on their own merits on a case-by-case basis. The Revenues and Benefits Service will consider applications. Application forms are available from the Council.
- I.3. A successful applicant will need to demonstrate that each of the following three conditions has been met:
 - (a) that the business is suffering hardship;
 - (b) that the business is viable and that the granting of relief will help to ensure the future of the business; and
 - (c) that the business benefits the local community and its failure will be of significant impact to the local economy.
- I.4. Prior to any reduction in rate liability being applied, the business is expected to have taken appropriate action to mitigate or alleviate their hardship by:
 - taking independent professional business advice;
 - reviewing their pricing structure or its approach to income generation;
 - where allowed by law, re-negotiating with creditors, including any financial institutions;
 service providers and the landlord regarding rent (the Council is mindful of insolvency statute that may limit this);
 - having a business plan in place to address the hardship

Applications and Decision Making

- I.5 Hardship relief is intended to provide short term assistance to a ratepayer suffering unexpected hardship, financial difficulty, or otherwise, arising because of exceptional circumstances or short-term crisis beyond the business' control and outside of the normal risks 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 or where such a failure may significantly affect the local economy or employment.
- 1.6 As the definition covers unforeseen events, it is not possible to offer precise definitions. However, a 'crisis' would have to result in a serious loss of trade, employment or have a major effect on the services that can be provided.
- 1.7 'Exceptional circumstances' will usually be circumstances that came from outside the business or organisation and are beyond the normal risks faced by businesses and cannot be foreseen or avoided. The effect of strikes within a business or organisation, increased day to

day running costs and increased competition would not be considered as 'exceptional circumstances' as they are normal business risks.

- 1.8 Applications to reduce or remit the non-domestic rate charge will only be considered where the Council is satisfied that the ratepayer would otherwise sustain hardship if no award was made and that it is reasonable to grant relief having regard to the interest of Council Taxpayers who are affected by decisions under this section.
- I.9 Applications for hardship will be examined on a case-by-case basis by the Revenues and Benefits Service. Each application will be assessed on its individual merits. Other issues or requirements will also be considered in relation to the application as they arise including:
 - All applications should be made in writing from the ratepayer, their advocate/appointee
 or a recognised third party acting on their behalf, preferably using the relevant form, and
 should contain the necessary information to substantiate the request;
 - All applications are only intended as short-term assistance and will not extend beyond the current financial year, and should not be considered as a way of reducing rate liability indefinitely;
 - The financial interests of the Council Taxpayers will not be the sole overriding factor e.g., the impact on employment and amenities provision will also be considered;
 - The test of 'hardship' is not confined strictly to financial hardship all relevant factors
 affecting the ability of a business to meet its liability for rates are considered where
 readily available. Where the granting of relief will have an adverse effect on the financial
 interests of the council taxpayers, relief may still be granted if the case for relief on
 balance outweighs the costs to taxpayers;
 - The test of hardship will include an assessment of the ratepayer's individual accounts to verify that the payment of rates would cause hardship; and
 - How the reduction in rate liability may be affected by the Subsidy Control rules.
- I.10 Upon receipt of a written application, all supporting information must be included for consideration.
- I.11 Once a decision has been approved the ratepayer will be advised in writing of the decision.

Review of Decision

- I.12 Under S49 of the Local Government Finance Act 1988, there is no general right of appeal against the Council's use of discretionary powers. However, on individual applications, the Council will accept a request from a ratepayer for a re-determination of its decision. The Council will consider whether the ratepayer has provided any additional information that will justify a change to its original decision.
- I.13 The Council will notify the ratepayer of its decision within 21 days of receiving a request for a redetermination. This decision shall be final.
- I.14 Should the ratepayer feel aggrieved by the way the Council has considered any application; the matter will be dealt with in accordance with the Council's complaints procedure.

Award of Relief and Period of the award

- I.15 Relief will normally only be awarded retrospectively. However, where the ratepayer can show that the circumstances will remain the same for a period up to the end of the current financial year, relief may be award for the remainder of the year.
- I.16 Hardship Relief will **not** be granted in respect of an unoccupied premises or where there is little or no expectation of economic survival.
- In all cases, it is expected that businesses should have taken prompt action to mitigate any factors giving rise to hardship. Examples of mitigating actions may include seeking business advice; discounts and promotions; reviewing pricing; extending the range of stock or services; and negotiating with creditors etc. Applications may be declined in circumstances where the business is unable to demonstrate that it is taking reasonable steps to alleviate the hardship.
- I.18 In all cases relief will end in the following circumstances:
 - At the end of a financial year;
 - A change of ratepayer;
 - The property becomes unoccupied, partly unoccupied or is used for a different purpose;
 - The ratepayer enters any form of insolvency; or
 - The ratepayer's financial circumstances significantly change.
- I.19 The ratepayer must inform the Council if their circumstances change within a period of 21 days from the date of change.
- 1.20 The Council will review cases periodically where awards are made to confirm hardship persists.
- I.21 The Council will not accept deliberate manipulation of this policy or fraud. Any person caught falsifying information to gain a discretionary award will face prosecution and any amount awarded will be removed from the non-domestic rate account.















APPENDIX 2

Somerset Equality Impact Assessment

Before completing this EIA please ensure you have read the EIA guidance notes – available from your Equality Officer

Version 2.0 Date 8 November 2022

Description of what is being impact assessed

Somerset Council's Business Rate Discretionary Rate Relief policy from 1 April 2023

Evidence

What data/information have you used to assess how this policy/service might impact on protected groups? Sources such as the Office of National Statistics, Somerset Intelligence Partnership, Somerset's Joint Strategic Needs Analysis (JSNA), Staff and/ or area profiles,, should be detailed here

The policy aligns all S47 Local Government Finance Act 1992 reliefs into a single policy for the new Somerset Council.

The policy covers three broad areas as follows:

- (a) Discretionary rate relief where the criteria are laid down by central government;
- (b) Discretionary rate relief where the criteria are determined by the new Council; and
- (c) Discretionary rate relief where the Government set the criteria and where the relief is fully funded by Central Government.

In the case of (a) and (b) the cost of relief is shared between the Council and Government through the Business Rates Retention scheme.

Information in relation to current rate reliefs has been obtained from each of the existing districts.

All ratepayers requiring relief will be required to apply for relief from 1st April 2023 under the new policy.

The policy has been designed to protect existing businesses who receive relief.

Who have you consulted with to assess possible impact on protected groups? If you have not consulted other people, please explain why?

There is no statutory requirement to consult and there are no protected groups. Charities and organisations that are considered charitable in nature (such as Community Amateur Sports Clubs) will continue to receive mandatory rate relief under the legislation. In addition, discretionary relief may be granted where the charity is wholly or mainly Somerset based.

In the case of non-profit making organisations and also non-profit making sports clubs, discretionary relief will be granted if the organisation / club is wholly or mainly Somerset based.

Where relief can be granted under Government defined schemes, the policy will ensure that relief is granted strictly in accordance with Government guidance so that relief can be maximised and full funding received under a S31 grant.

Analysis of impact on protected groups

The Public Sector Equality Duty requires us to eliminate discrimination, advance equality of opportunity and foster good relations with protected groups. Consider how this policy/service will achieve these aims. In the table below, using the evidence outlined above and your own understanding, detail what considerations and potential impacts against each of the three aims of the Public Sector Equality Duty. Based on this information, make an assessment of the likely outcome, before you have implemented any mitigation.

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
Age	Age is not a direct factor in the assessment of Business Rates Reliefs. However, inclusivity and access to facilities for people in any protected group will be a factor in assessing entitlement to reliefs, where relevant to the type of organisation seeking the relief.			

Disability	Disability is not a direct factor in the assessment of Business Rates Reliefs. However, inclusivity and access to facilities for people in any protected group will be a factor in assessing entitlement to reliefs, where relevant to the type of organisation seeking the relief.		
Gender reassignment	 Gender reassignment is not a direct factor in the assessment of Business Rates Reliefs. However, inclusivity and access to facilities for people in any protected group will be a factor in assessing entitlement to reliefs, where relevant to the type of organisation seeking the relief. 		
Marriage and civil partnership	 Marriage and civil partnership is not a direct factor in the assessment of Business Rates Reliefs. However, inclusivity and access to facilities for people in any protected group will be a factor in assessing entitlement to reliefs, where relevant to the type of organisation seeking the relief. 		
Pregnancy and maternity	 Pregnancy and maternity is not a direct factor in the assessment of Business Rates Reliefs. However, inclusivity and access to facilities for people in any protected group will be a factor in assessing entitlement to reliefs, where relevant to the type of organisation seeking the relief. 		
Race and ethnicity	 Race and ethnicity is not a direct factor in the assessment of Business Rates Reliefs. However, inclusivity and access to facilities for people in any protected group will be a factor in assessing entitlement to reliefs, where relevant to the type of organisation seeking the relief. 		
Religion or belief	 Religion and belief is not a direct factor in the assessment of Business Rates Reliefs. However, inclusivity and access to facilities for people in any protected group will be a factor in assessing entitlement to 		

	reliefs, where relevant to the type of organisation seeking the relief.		
Sex	 Sex is not a direct factor in the assessment of Business Rates Reliefs. However, inclusivity and access to facilities for people in any protected group will be a factor in assessing entitlement to reliefs, where relevant to the type of organisation seeking the relief. 	_	
Sexual orientation	 Sexual orientation is not a direct factor in the assessment of Business Rates Reliefs. However, inclusivity and access to facilities for people in any protected group will be a factor in assessing entitlement to reliefs, where relevant to the type of organisation seeking the relief. 	_	
Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.	Not applicable	×	

Negative outcomes action plan

Where you have ascertained that there will potentially be negative outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.

Action taken/to be taken	Date	Person responsible	How will it be monitored?	Action complete
NO ACTIONS IDENTIFIED	Select date			
	Select date			
	Select date			
	Select date			

	Select date					
	Select date					
	Select date					
	Select date					
If negative impacts remain, please provide an	explanation below.					
Completed by:	Will Walsh & Jenny Collins					
Date	8th November 2022	8th November 2022				
Signed off by:	Richard Sealy, Assistant Director Custom	Richard Sealy, Assistant Director Customer, Somerset West & Taunton				
Date	8th November 2022					
Equality Lead/Manager sign off date:	8 November 2022 / Tom Rutland					
To be reviewed by: (officer name)	Revenues & Benefits Service Manager					
Review date:	September 2023					

APPENDIX 3

High level comparison exercise to map the potential impact of the proposed policy

Relief Type	Max	Proposed relief	ief Impact summary				
	possible relief	& qualifying criteria	Mendip	Sedgemoor	Somerset West & Taunton	South Somerset	
Mandatory Recipients – 'Top Up' (Discretionary) Excluding CASCs (Business Rates Retention)	20%	20% for all local (wholly or mainly Somerset Based) Charities	No significant change. Currently 20% top up is awarded to all local registered charities that would otherwise receive small business rate relief. A small number currently only receive 15% top up, so these will gain a small amount of relief.	Small increase in the amount being awarded. Currently 20% top up is awarded to local, registered charities who occupy certain types of property excluding shops. The proposed scheme extends support to shops, which may enable 10 existing local charities to access top-up support. Potentially costs an additional £15,262. Little impact on halls & community centres as most currently receive mandatory relief.	Overall net decrease in spend of £16k as national charities will lose top-up. Local charities will gain by £10k.	Overall net decrease in spend Previously paid variable amounts of top-up dependent on the type of property & activity. The new scheme shifts support to local charities. The types of organisation that will lose out are national charities such as St Johns Ambulance and Bibic (national charity but head office in Langport) Potentially some significant gains for locally based charities who currently receive	

Relief Type	Max	Proposed relief	Impact summary			
	BOCCIBIO					no top up e.g. Fearne Animal Sanctuary, Haynes Motor Museum gain The changes to the policy also affect our Leisure providers who currently receive 20% top up. 3 centres are run by a national charity and would lose their full top up of £57,804 and one further centre loses £2,595 as the relief is capped at £10,000
Discretionary Relief - Non Profit Making organisations (Business Rates Retention)	100%	75% for all local (wholly or mainly Somerset Based) organisations	No change – as reflects current Policy.	None currently in payment.	This affects very few accounts currently and based on current caseload may result in a slight increase in spend of £5,333.	Minor reduction in the amount awarded, but affects very few accounts. The current maximum awarded is 80% so slight decrease in award. One organisation affected providing a community hired space/meeting room hire and training

Relief Type	Max	Proposed relief	Impact summary			
						and fitness courses.
Discretionary Relief - Non Profit Making Recreation Clubs (Business Rates Retention)	100%	75% for all local (wholly or mainly Somerset Based) recreation clubs All clubs are encouraged to claim CASC status	No change – as reflect current Policy.	Small increase in the amount being awarded. Currently awarding £15,793 to 3 local organisations. Potential additional cost of £10,476.	This affects very few accounts currently and based on current caseload would result in a potential increase in spend of £11,000.	Minimal impact. Maximum current award is 90% so there will be a slight decrease in award but very few accounts affected. One sports/tennis club affected.
Mandatory Recipients – CASC 'Top Up' (Discretionary) (Business Rates Retention)	20%	20% for all local (wholly or mainly Somerset Based) CASCS	No significant change. Currently 20% top up is awarded to all local CASC's that would otherwise receive small business rate relief. A small number currently only receive 15% top up, so these will gain a small amount of relief.	Small increase in the amount being awarded. Currently do not pay top-up relief for CASCs. These proposals would potentially provide top-up for 12 current mandatory cases at an additional cost of circa £9k.	Estimated small decrease in net award of approx. £600 so very little impact following change to policy. Impacts very few accounts.	Minor increase in the amount awarded. Currently only 7 accounts all local getting 10% top up. Cost circa £5k
Rural Rate Relief – Discretionary Only (small number of cases that fall within the criteria)	100%	75% for all local (wholly or mainly Somerset Based) rural businesses	Slight change to the few accounts who currently receive 45% top up – so a gain in relief for these cases of	No current cases.	Very little impact as only 2 accounts receiving Other Rural Disc Relief.	Very little change, most recipients have mandatory/discretiona ry 50/50 relief.

Relief Type	Max	Proposed relief	Impact summary				
			circa £2,500 in total.				