



South Cambridgeshire District Council Discretionary Rates Relief Policy

Effective from 1st April 2024

1. Introduction

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

2. Statement of Objectives

- 2.1. The overriding objectives of this policy are to ensure that the following considerations are taken into account:
 - The use to which business premises are put, and in particular the contribution that businesses seeking rate relief make to local communities.
 - The financial cost to council taxpayers.
 - How the applicant's activities supplement or advance the Council's Strategic Objectives
- 2.2. The associated guidelines have the following objectives:
 - To make the application process simple for organisations and give the clearest possible guidance as to what will be considered with regard to an application.
 - To consider each application on its merits.
 - To be equitable and fair and balance the wider interests of the community within the resources made available arising from Business Rates Baseline funding.
 - To make decisions based on objective criteria and organisations' suitability for Discretionary Rate Relief
 - To ensure officers give due time and attention to processing applications which is proportionate to the complexity and level of relief.
 - To ensure that the process and decision making is as efficient as possible.
 - To have regard to the relevant Central Government guidance when making decisions.



- To have regard to the restrictions applicable in terms of State Aid/Subsidy Control limitations
- To consider how the applicant's activities supplement or advance the Council's Corporate Objectives

3. Reliefs

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

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

Relief for partly occupied premises (S44A Relief)

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



Reductions/Remissions on the grounds of Hardship

- 3.9. The conditions to be satisfied before SCDC can consider an application for this relief are detailed in the LGFA under s49. These are that:-
- a) The rate payer would sustain hardship if the Authority did not do so, and
 - b) It is reasonable for the Authority to do so, having regard to the interest of persons subject to its council tax.
- 3.10. Since hardship relief is at least partially funded by the Council Tax payers, the interests of these Council tax payers will be paramount in making a determination. It is therefore expected that such awards will be only considered appropriate in exceptional situations.

Relief to promote localism

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

Other uses of discretionary powers under S47 LGFA 1988

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



4. Length of award

Discretionary Rate Relief (Charities and other Organisations)

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

Hardship Relief

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

Partly Occupied properties

- 4.4. All awards for relief due to partly occupied premises will be given for a short time only and only where there is clear evidence of partial occupation. Awards of Section 44a relief shall end at the earliest occurrence of one of the following:
 - a) The end of the statutory period for which relief may be allowed;
 - b) The end of the financial year;
 - c) All or part of the unoccupied area becoming occupied;
 - d) The whole of the property becoming unoccupied;
 - e) The ratepayer ceasing to be the person or organisation liable to pay non-domestic rates in respect of the property;
 - f) Where all or part of the unoccupied area has remained unoccupied for one year;
 - g) The commencement of a further award in respect of the property;
 - h) The Council is unable to verify, following reasonable notice, that the area remains unoccupied.

Other Discretionary reliefs under s47

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

5. State Aid / Subsidy Control

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



6. Application process

Discretionary Rate Relief (Charities and other Organisations)

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

Hardship Relief / Partly Occupied premises / Relief to promote localism

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

Other awards under s47

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

7. Delegation, Determination & Award

- 7.1. In accordance with the Constitution of South Cambridgeshire District Council, the Lead Cabinet Member for Resources has responsibility for approving policies and criteria for discretionary rate relief.
- 7.2. Applications will be determined in accordance with the approved policy and criteria.
- 7.3. For all reliefs, SCDC reserves the right to refuse an application if all information requested has not been submitted. This may include full financial information.
- 7.4. Applicants will be notified, either by receiving a revised demand showing the reliefs awarded, or in writing detailing reasons for non-awards.
- 7.5. Unless otherwise agreed, ratepayers are required to continue to pay, in accordance with the latest demand notice, pending the outcome of an application.

8. Awards for retrospective periods.

- 8.1. From 1 April 2024 there is no restriction in legislation on the backdating of relief following an application for 2024/25 onwards. However, applications for periods beyond six months after the year to which they relate will only be considered where the Council considers there to have been exceptional circumstances, and where the ratepayer can demonstrate good cause for not submitting the application earlier; such as where the hereditament did not exist in the list but is retrospectively added, creating a back-dated liability.
- 8.2. Additionally, applications for other reliefs awarded using s47 powers may be considered where the ratepayer meets the relevant criteria.



- 8.3. Where the application is on the grounds of hardship an award may be made for a respective period where it is considered that the business suffered hardship during that period, but consideration will be given to the effort made by the ratepayer to pay during that period.
- 8.4. No consideration shall be given to an award for a retrospective period where SCDC is not able to verify to its satisfaction that the circumstances giving rise to the application pertained for that period.

9. Appeals

- 9.1. There is no statutory right of appeal against the refusal to award relief.
- 9.2. An applicant may request a review of the decision but only where either:
 - Additional information that is relevant to the application and was not available at the time the decision was made becomes available; or
 - There are good grounds to believe the application or supporting information was not interpreted correctly at the time the decision was made. A request for a review must be made within 28 days of notification of the decision and must set out the reasons for the request and any supporting information.
 - Any such requests should be put in writing to the Head of Finance.

10. Monitoring

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