



South Cambridgeshire District Council

Discretionary Rate Relief Guidelines

1. Introduction

1.1. The following are guidelines used by South Cambridgeshire District Council (SCDC) when assessing individual applications for discretionary rate relief (including applications from Charities, Community Amateur Sports Clubs (CASC's), Non-Profit Making Organisations and other businesses situated within South Cambridgeshire.

1.2. The SCDC Discretionary Rate Relief Policy has regard to:

- The use to which business premises are put, and in particular the contribution that businesses seeking rate relief make to local communities.
- The financial cost to council taxpayers.
- How the applicant's activities supplement or advance the Council's Strategic Objectives

1.3. These 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



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



2. General criteria relevant to all applications

- 2.1. The Council will consider all applications in relation to how the organisations supplement or advance the Council's Strategic Objectives, which are:
- Growing local businesses and economies
 - Housing that is truly affordable for everyone to live in
 - Being green to our core
 - A modern and caring Council
- 2.2. National or large-scale organisations already receiving 80% mandatory relief are likely to only receive discretionary relief top up where:
- The Council considers that the value of the service to residents of the council and local communities exceeds the amount of the discretionary relief requested, and
 - The work undertaken from the property named in the application for relief directly caters for the needs of residents of the council and benefits local communities and;
 - It provides a valuable service to the community which is complimentary to those services provided by the council or;
 - The service it provides relieves the council of the need to provide that service.
- 2.3. Applications are unlikely to be successful where the Council considers that the organisation has a significant level of unrestricted reserves proportionate to the level of relief being sought.
- 2.4. Applications are unlikely to be successful where the Council considers that the organisation has a significant level of income proportionate to the level of relief being sought.
- 2.5. Applications are unlikely to be successful where the Council considers that the organisation competes with commercially operated ratepayers (i.e. charity shops / gyms etc.).
- 2.6. Applications are unlikely to be successful where the Council considers that the organisation is already substantially publicly funded (i.e. Housing Associations and or voluntary schools or colleges etc).
- 2.7. Applications are unlikely to be successful where it appears to the Council that a major factor leading to the ratepayer's occupation is at least partially related to avoidance of National Non-Domestic Rates by the ratepayer or the landlord of the hereditament.
- 2.8. For all organisations consideration will be given to the extent that granting relief will help to preserve facilities that would otherwise be lost to the community.
- 2.9. If the discretionary relief is being fully funded by Government, the Council will award it in accordance with the Council's interpretation of any relevant statutory provisions and guidance, where possible without the need for ratepayers to apply.



3. Membership Organisations.

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



4. Hardship.

- 4.1. The Council is only able to consider an application for hardship relief where it is satisfied that:
 - a) the ratepayer would sustain hardship if the authority did not do so, and;
 - b) it is reasonable for the authority to do so, having regard to the interests of persons liable to pay council tax set by it.
- 4.2. We will consider written applications for hardship relief from ratepayers whose business, if it were to cease trading, would have a significant detrimental effect on the local community, including, but not limited to, local employment.
- 4.3. Every case will be considered on its own merits, and we will have particular regard to evidence of exceptional or unforeseen circumstances to justify reduction.
- 4.4. Applications will need to be supported by:
 - Details of the reason for an application, including evidence of any exceptional or unforeseen circumstances
 - Details of the business and its importance to the local community
 - Copies of the last 2 years audited accounts
 - Nature of the hardship
 - Other evidence that the rate payer feels supports their application
 - Details of the number of people who are employed by the business who reside in South Cambridgeshire.
- 4.5. Due to the cost to the Council Tax payer and the Council more generally, any award of hardship relief will be exceptional, and will be time-limited. Any reduction will be short term assistance and should not be considered to be a means of reducing rates liability in the longer term.
- 4.6. An award of hardship relief will usually only be made in order to provide short term assistance to businesses that are suffering unexpected and exceptional hardship, arising from circumstances beyond the business's control and outside of the normal risk associated with running a business of that type, to the extent that the viability of the business would be threatened if an award were not made.
- 4.7. Hardship Relief will normally only be considered where the ratepayer is able to demonstrate a causal link between the hardship and the requirement to pay the rates.
- 4.8. No award shall be made where it appears to the Council that the proprietor of the business has failed to exercise due diligence or anticipate circumstances that may give rise to hardship, financial; or otherwise, and/or to put in place measures to prevent or mitigate the circumstances.



5. Relief to promote localism.

- 5.1. Due to the cost to the Council Tax payer and the Council more generally, any award of localism relief will be highly exceptional, and will be time-limited. Any reduction will be short term assistance and should not be considered to be a means of reducing rates liability in the longer term.
- 5.2. Whilst it is not possible to define the criteria of this relief, it will generally only be considered appropriate for large scale employers relocating to the SCDC area, bringing substantial amounts of local employment and/or substantially reducing unemployment on the SCDC area.

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

- 6.1. A ratepayer making an application under section 44a shall provide a plan of the property showing the dimensions of the occupied and unoccupied area of suitable quality to enable the Valuation Office Agency to apportion the rateable value of the property between the occupied and unoccupied areas. Applications will not be considered until such time as the plan is provided.
- 6.2. If necessary, the ratepayer must allow a Council Officer access to the property by appointment during normal working hours in order to verify the occupation of the property.
- 6.3. Further access may be required on at least one occasion each month, during normal office hours, during the period for which relief is being awarded. In order to enable verification, access to the unoccupied area may be requested immediately without advanced notice. In the event that access is not allowed promptly without good cause the award of Section 44a relief may be withdrawn
- 6.4. The granting of this relief is entirely under the discretion of SCDC and each case will be considered on its merits and be referenced to the interests of South Cambridgeshire District Council tax payers.
- 6.5. Applications will only be considered in respect of unoccupied parts of a property that can be clearly defined and are reasonably segregated from the occupied part of the property.
- 6.6. For the purposes of these guidelines a period of up to 12 calendar months will generally be considered to be temporary and longer periods shall not be considered to be temporary.
- 6.7. No award shall be made where it appears to the Council that the reason that part of the property is unoccupied is wholly or mainly for the purposes of applying for S44A relief.
- 6.8. S44A relief will not normally be awarded in respect of different operative periods that contain the same area of unoccupied property that existed in preceding operative periods.
- 6.9. Rate relief under this section will not usually be awarded where the partial occupation may be considered to arise due to the ordinary day to day nature of the business (for example the operation of a warehouse).