

# Rate Relief Guidance

2023



Stamford



SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL

## 1. Introduction

The council recognises the importance of supporting local businesses and organisations to promote and facilitate economic growth, employment and investment to improve the district.

Under this policy mandatory and/or discretionary rate relief may be granted to: -

- (a) Charities, not-for-profit organisations, community amateur sports clubs and charity shops
- (b) Small Business Rate Relief
- (c) Rural businesses in prescribed circumstances
- (d) Partly occupied properties
- (e) Ratepayers experiencing hardship
- (f) Unoccupied relief
- (g) Relief for Local Newspapers
- (h) Public Lavatories Relief
- (i) Transitional Relief
- (j) Retail, Hospitality and Leisure (RHL) relief
- (k) Supporting Small Businesses
- (l) Other temporary measures as introduced from time to time by the Government

## 2. The interests of our council tax payers

When considering an application for discretionary rate relief we will take into consideration the interests of our council tax payers who ultimately contribute towards the cost of the relief. Discretionary rate relief will not be granted where the applicant's aims, objectives, activities or use of the subject property (or a

combination of these) is not considered to compliment the priorities of the council.

## 3. General principles

When considering an application for rate relief we will: -

- consider each application upon its merits
- be objective
- balance the application with the wider interests of the districts council tax payers who ultimately contribute to the cost of discretionary rate relief
- balance the wider interests of the business community who may be in competition with an applicant (directly or indirectly)
- balance the interests of the council who may be in competition with the applicant (directly or indirectly)
- have regard (but not be bound by) any Central Government guidance
- deal with any application as timely as possible which is proportionate to the complexity of the application and the level of discretionary rate relief
- have regard to the 'state aid' limitations

## 4. The policy

### (a) Mandatory and Discretionary rate relief for charities, not-for-profit organisations, community amateur sports clubs and charity shops

Mandatory rate relief of 80% is granted where we are satisfied that:

- the rate payer a charity or trustees for a charity and the property is wholly or mainly used for charitable purposes (whether of that charity or of that and other charities) or

- the ratepayer is registered with HMRC as a community amateur sports club and occupies the property for purposes which are wholly or mainly of the club or
- the property is wholly or mainly used for the sale of goods donated to a charity and the proceeds of their sale (after the deduction of any expenses) are applied for the purposes of the charity

Discretionary relief may be granted to 'top-up' mandatory relief to a maximum of 20%.

Discretionary relief to a maximum of 100% may be granted where mandatory relief has not been granted.

All or part of the property must be occupied and used wholly or mainly for the purpose of one or more institutions none of which are established or conducted for profit and each of whose main objectives are charitable or otherwise concerned with the promotion of education, social welfare, science, literature or the fine arts.

In addition, discretionary rate relief may be granted where the property is wholly or mainly used for the purpose of recreation and all or part of the property is occupied for the purpose of a club, society, or other organisation that is not established or conducted for profit.

Discretionary relief may not be granted where the property is occupied (all or in part) by the council or other precepting authority (otherwise than as a trustee). All applications for discretionary rate relief will be determined on their own merits on a case by case basis.

## Eligibility considerations

It is not possible to take account of all the circumstances of an applicant. With this in mind, the following factors are provided (in no particular order) as a guide: -

- To what extent do the applicant's services and/or activities support the delivery of the council's corporate priorities or are they seen to be working against them?
- Does the applicant provide services and/or facilities that we might otherwise have to provide? It may be more cost effective for us to support an organisation by providing discretionary rate relief than to actually provide the service/facilities ourselves.
- Is the applicant in competition with us? It may be inappropriate to support an organisation that is in competition us.
- Would a grant of discretionary rate relief provide the applicant with a trading advantage over other organisations/businesses within the locality? It may be inappropriate to provide the applicant with financial support and so distort or risk distorting the market.
- Does the applicant have an open membership policy with affordable membership and participation fees (where they exist)? Whilst the organisation must not discriminate against any particular section of society it is accepted that legitimate restrictions may apply where the organisation requires, for example, a minimum level of ability.
- To what extent does an external/parent body (or similar) exert influence over the applicant? An applicant may be influenced by a national or parent body and still support our priorities. However, if the influence is deemed

to be detrimental to our priorities then discretionary rate relief may not be appropriate.

- Are the majority of members/ participants drawn from South Kesteven? The applicant should not necessarily be penalised if this is not the case as it may be, for example, located near the district boundary which may result in a higher number of members/participants from outside South Kesteven.
- Is the applicant funded locally and does it maintain the premises themselves? Grants or donations from others would not necessarily be a detrimental factor but they may be taken into consideration if they are intended to finance the applicants running costs (one of which is business rates).
- Does the applicant receive third party funding which will provide them with the ability to fund the rate liability themselves. An grant of discretionary rate relief could see the applicant effectively be paid twice.
- Does the organisation operate a bar? We should not subsidise a trading activity of the applicant by granting discretionary relief.
- Is the applicant a members club (or similar)? We should not subsidise an organisation that should be self sufficient.
- Is there an abundance of similar organisations/businesses within the locality? If we chose not to support the organisation/business would its possible closure have a significant impact upon the locality?

One 'positive' circumstance or set of circumstances may be outweighed by other

'negative' circumstance(s) and result in a reduced grant of discretion rate relief or no grant at all.

The council recognises the important role village halls play in helping rural communities thrive by providing a focal point for local activities. Where a property is considered to be used wholly or mainly as a village hall but the ratepayer is not a charity then 75% discretionary rate relief will be granted. Where the ratepayer is a charity and in receipt of mandatory rate relief then discretionary 'top-up' rate relief of 15% will be granted.

Applications should be in writing and provide all relevant information. An application form is available upon request. We reserve the right to verify any information that has been provided and to seek further information we consider necessary.

#### **(b) Small Business Rate Relief**

Small Business Rate Relief (SBRR) was introduced on 1 April 2005 and, where qualifying criteria are met, will reduce the amount of business rates that are payable. In order to qualify the ratepayer must occupy either: -

- (a) One property in England with a rateable value that does not exceed £15,000
- or
- (b) One 'main' property in England and other additional properties. Each of the additional properties must each have a rateable value that does not exceed £2,899 and when all the rateable values are combined, must not exceed £20,000.

Properties which meet either (a) or (b) will have their bill calculated using the lower small business non-domestic rating multiplier.

The property in (a) or the main property in (b) will receive 100% SBRR where the rateable value is £12,000 or less. SBRR will gradually decrease for properties with a rateable value between £12,001 and £15,000.

Ratepayers who take on an additional property which would have seen them lose SBRR in respect of the first property (because they no longer meet (a) or (b) above) will retain entitlement for a period of twelve months irrespective of the rateable value of the additional property.

#### **Important reporting requirements of the ratepayer**

Only one application per rating list is usually required. The council will automatically pick up some changes that affect entitlement (e.g. a rateable value amendment of a property in South Kesteven) but the ratepayer is required to notify the council where –

- there is occupation of an additional property (in which case a fresh application is required), or
- where there is an increase in the rateable value of a property occupied by the ratepayer which is located outside of South Kesteven

Where there remains an entitlement to SBRR, it will normally be applied with effect from the day we are notified of the change. However, if the ratepayer fails to notify us

within four weeks of the day the change occurred then entitlement ceases with effect from the date the change happened and is only reinstated from the date we are notified.

#### **(c) Discretionary rate relief to support rural businesses in prescribed circumstances**

Mandatory rate relief of 50% is available where the property meets the prescribed criteria.

- a qualifying general store (i.e. the sole trade or business consisting wholly or mainly of the retail sale of both food for human consumption (excluding confectionery) and general household goods and has a rateable value which does not exceed the statutory threshold.
- a qualifying post office (i.e. the sole universal postal services provider) and has a rateable value which does not exceed the statutory threshold.
- a qualifying public house (i.e. the sole public house where a justices' on-licence (within the meaning of the Licensing Act 1964, other than a Part IV licence within the meaning of that Act) is in force and has a rateable value which does not exceed the statutory threshold.
- a qualifying petrol filling station (i.e. the sole retailer to the general public of petrol or other automotive fuels for motor vehicles intended or adapted for use on the roads) and has a rateable value which does not exceed the statutory threshold.

Discretionary rate relief may be granted to 'top-up' mandatory rate relief to a maximum of 50%.

Discretionary rate relief to a maximum of 100% may be granted where the rateable value of the property exceeds the statutory threshold for mandatory relief but does not exceed the statutory threshold for discretionary rate relief. The property must be a qualifying property or be used to retail wholly or mainly food for human consumption excluding confectionary, takeaway outlets, tea rooms, restaurants and similar

Discretionary rate relief of 25% may also be granted where the property is a qualifying property as above and would qualify but for the existence of a similar business within the settlement.

An application may be submitted by the ratepayer which should provide all the necessary information. We reserve the right to verify any information that has been provided and to seek further information we consider necessary.

#### **(d) Discretionary rate relief for partly occupied properties**

Discretionary rate relief may be granted in respect of a property which appears to be partly occupied and will remain so for a short time only. The subject property must be partly occupied at the time of the application as retrospective applications cannot be considered.

The term 'a short time only' is not defined in law but regulation 4(b) of The Non-Domestic Rating (Unoccupied Property) (England) Regulations 2008 caps the relief that may be applied to a maximum of three or six months; with three months relating to non-industrial property and six months relating to industrial property

When considering a request for an apportionment we will have regard to the general rule that a ratepayer who occupies part of a property is deemed to be in rateable occupation of the whole, thus it is not intended that because part of a property is temporarily unoccupied it should effectively be taken out of rating.

Any discretionary rate relief granted under this part will come to an end when: -

1. any part of the area that is the subject of relief becomes occupied
2. the period for which the relief has been granted expires or the maximum period of three/six months is reached
3. further relief is granted in respect of the property where the proportion of occupied/unoccupied area changes
4. the property becomes completely unoccupied
5. the expiry of the financial year for which the relief has been granted. In practice, if there has not been any change in rateable value then the earlier certificate provided by the Valuation Officer could stand. If the following year is one for which a new rating list comes into force then a new certificate must be requested from the Valuation Officer

An application should be in writing and include: -

- a scale plan of the whole property with the unoccupied part clearly marked
- an explanation of the circumstances that have given rise to the application
- the date the property became partially occupied
- an explanation as to the future plans for the unoccupied part

- the length of time the property is likely to remain partially occupied

This list is not definitive and the applicant should provide all relevant information and supporting documentation.

We reserve the right to verify any information provided, seek clarification or further information and to inspect the property if it is considered necessary.

#### **(e) Discretionary rate relief for ratepayers suffering hardship**

Discretionary rate relief is available to provide short-term assistance to businesses which are suffering unexpected hardship, arising from circumstances beyond the businesses 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 discretionary rate relief was not granted. Discretionary rate relief may only be granted where we consider that: -

- the ratepayer would sustain hardship if relief was not granted, and
- it is reasonable for us to grant relief having regard to the interest of the council tax payers of the district

The test of 'hardship' is not confined strictly to financial hardship. Any applicant must disclose all relevant factors affecting their ability to meet their rate liability.

A business will not be considered to be suffering financial hardship in any annual accounting period during which it is profitable or has experienced a loss

which is minor in comparison to the overall turnover of the business. In addition, discretionary rate relief will not be granted where there is impropriety or improvidence on the part of the ratepayer.

#### **Considerations**

It is expected that businesses will take prompt action to mitigate any factors giving rise to trading difficulties and hardship. This may be, for example, by seeking professional business advice, providing customers with discounts and/or promotions, reviewing pricing, extending the range of stock or services, extending the trading hours, negotiating a rent reduction or negotiating with other creditors. Applications may be declined where the ratepayer is unable to demonstrate reasonable steps to alleviate hardship or where their own improvidence has been a contributing factor.

Applications will be viewed more favourably where the criteria of our policy are met and the ratepayer provides the only goods and/or service of its type in the locality or where the business provides services that would otherwise have to be supplied by us. This does not mean that discretionary rate relief will be granted.

It is unlikely that discretionary rate relief will be granted for the purposes of enabling a new business to become established except where the viability of the business is threatened by events that could not reasonably have been foreseen at the outset.

Discretionary rate relief in respect of unoccupied property will only be given in very exceptional circumstances and where there are clear and tangible benefits to the local council tax payer.

An application form is available upon request. This should be fully completed and submitted to us together with supporting information. Any omissions should be clearly explained. We reserve the right to verify any information provided and to inspect the property if it is considered necessary.

The application/supporting information should include the following: -

- a brief history of the business together with a full explanation as to the circumstances that has necessitated the application
- audited accounts or independently verified accounts for at least the last three years of trading. Where it is a business that has been established for a shorter period then financial details of the trading to date and estimates of the annual income and expenditure should be provided
- Unaudited accounts for the current financial year of trading
- copies of the business bank statements for at least the last twelve months
- cash flow forecasts and business plan to illustrate how the business itself plans to trade through its difficulties
- an explanation as to any steps taken to reduce/mitigate the trading difficulties
- a declaration of any and all substantial assets owned by those running the business
- an explanation as to how, in the opinion of the applicant, the remission or

reduction of rate liability would make a significant difference to the council tax payers of the locality/district

- any other information or evidence considered relevant; assumptions as to our knowledge must not be made

If an applicant is unable or unwilling to supply any of the requested information then an explanation should be provided as to why this is the case. The applicant should be aware that we reserve the right to verify any information provided and seek further information where it is considered necessary. We also reserve the right to inspect the property. Any false, missing or misleading information may have a detrimental effect upon the application.

Any discretionary rate relief that is granted will be as a percentage of the rates payable for a specific period and will not usually extend beyond the end of the rating year in which the application is made.

A ratepayer who is granted discretionary rate relief is entitled to re-apply in respect of any subsequent financial year(s). In such circumstances we would have to consider the long-term viability of the business and whether further financial assistance of this nature is appropriate.

#### **(f) Unoccupied relief**

Non-Domestic Rates will not be payable in the first three months that a property is empty. This is extended to six months in the case of certain industrial properties. After this period, rates are payable in full unless the unoccupied property rate has been reduced by the Government by order. In most cases, the unoccupied property

rate is zero for properties owned by charities and Community Amateur Sports Clubs.

In addition, there are a number of exemptions from the empty property rate. These are properties:

- whose rateable value is less than £2,900
- that are listed buildings
- whose owner is prohibited by law from occupying it or allowing it to be occupied
- kept vacant by reason of action taken by or on behalf of the Crown or any local or public authority with a view to prohibiting the occupation or to acquisition of it
- which are classed as an ancient or historical monument
- where the owner is entitled to possession only in his capacity as the personal representative of a deceased person
- where, in respect of the owner's estate, there subsists a bankruptcy order
- where the owner is entitled to possession in his capacity as trustee under a deed of arrangement
- where the owner is a company which is subject to a winding-up order made or is being wound up voluntarily
- where the owner is a company in administration
- where the owner is entitled to possession of the property in the capacity of a liquidator

To claim unoccupied property relief, you must inform our Business Rates Department as soon as the property becomes vacant.

#### **(g) Relief for Local Newspapers**

The Government is providing funding to Local Councils so that they can provide a discount worth up to £1,500 a year on office space occupied by local newspapers. The discount will apply until 31 March 2025.

This scheme provides up to a maximum of one discount per local newspaper title and per hereditament.

Please contact our Business Rates Department if you would like to apply for this relief.

#### **(h) Public Lavatories Relief**

In 2021 the Non-Domestic Rating (Public Lavatories) Bill came into force which gives public lavatories 100% relief from business rates, it would apply retrospectively from 1 April 2020.

The relief will not apply to toilets of a larger unit of rateable property (a "hereditament"), for example, toilets in public libraries. It amends Part 3 of the Local Government Finance Act 1988 to ensure that, in relation to an eligible hereditament which consists wholly or mainly of a public lavatory, the chargeable amount will be zero. This provides, in effect, a 100% mandatory relief for eligible public lavatories in England and Wales.

The relief will be applied automatically to the business rates account

### (i) Transitional Relief

Property values normally change each revaluation. Transitional relief phases in the effects of these changes by limiting the amount by which a bill may rise following a revaluation.

To help pay for limits on increases in bills after a revaluation, there also has to be limits on reductions in bills. Under the transition scheme, limits continue to apply to yearly increases and decreases until the full amount is due (rateable value times the multiplier).

The scheme applies only to the bill based on a property at the time of the revaluation. If there are any changes to the property after the revaluation date, transitional relief will not normally apply to the part of a bill that applies to any increase in rateable value due to those changes.

From April 2023, transitional relief will apply to those who are moving to higher bills.

- small property size is a 2023 rateable value of less than £20,000 outside London
- medium property size is a 2023 rateable value of less than £100,000
- large property size is a 2023 rateable value above £100,000

There are limits on how much your rates can increase or decrease.

### (j) Retail, Hospitality and Leisure (RHL) relief

Occupied retail properties with a rateable value of £50,999 or less can claim relief on their business rates in the period 1 April 2019 to 31 March 2020. The value of the relief is one-third of the bill and is applied after all other reliefs have been applied. The relief is subject to State Aid limits in 2019 to 2020.

Occupied RHL properties can claim relief on their business rates in the period 1 April 2020 to 31 March 2021. The value of the relief is 100% of the bill and is applied after all other reliefs have been applied.

Occupied RHL properties can claim relief on their business rates in the period 1 April 2021 to 31 March 2022. The value of the relief is 100% of the bill for the period 1 April 2021 to 30 June 2021 and 66% for the period 1 July 2021 to 31 March 2022 and is applied after all other reliefs have been applied. The relief is capped at £2 million per business for properties that were required to be closed on 5 January 2021, or £105,000 per business for other eligible properties.

Occupied RHL properties can claim relief on their business rates in the period 1 April 2022 to 31 March 2023. The value of the relief is 50% of the bill for the period 1 April 2022 to 31 March 2022 and is applied after all other reliefs have been applied. The relief is capped at £110,000 per business, or the Small Amounts of Financial Assistance limit of £343,000 over 3 years (including 2022 to 2023). From 1 April 2023 that relief will be 75% and the cap remains at £110,000.

Year	% Max Relief	Cap
2019/20	33% for £50,999 or less	State Aid Limits apply
2020/21	100%	
2021/22	100% until 30.6.2022 then 66% from 1.7.2022	£2 million per business that were required to close, or £105,000 on other eligible properties
2022/23	50%	£110,000 per business
2023/24	75%	£110,000 per business

### (k) Supporting Small Business

At Autumn Statement 2022 the Chancellor also announced that a new Supporting Small Business (SSB) relief scheme which will cap bill increases at £600 per year for any business losing eligibility for Small Business Rate Relief or Rural Rate Relief at the 2023 revaluation. The scheme also provides support for those previously eligible for the 2022/23 SSB scheme and facing large increases in 2023/24 but in those cases for one further year only. The Government anticipates that local authorities will include details of the relief to be provided to eligible ratepayers for 2023/24 in their bills for the beginning of the 2023/24 billing cycle. The Government has published guidance setting out the eligibility criteria for the scheme. This guidance can be found at <https://www.gov.uk/government/publications/business-rates-relief-2023-supporting-small-business-relief-local-authority-guidance>

### (l) Other temporary measures as introduced from time to time by the government

Government may, on occasion, introduce temporary measures to reduce a ratepayer's liability to pay business rates. Due regard will be taken of any such measure which we will implement as part of this policy. As such any temporary relief scheme will form part of this policy.

## 5. Provision of information

The full disclosure of relevant information is necessary and we reserve the right to request any information considered necessary to assist in the decision making. Any omission or false statement is likely to have a detrimental effect upon an application. We also reserve the right to inspect the property if this is considered necessary.

6. Backdating and retrospective applications for discretionary rate relief

The backdating of certain discretionary rate reliefs are limited by law to 1 April in the previous financial year where the decision to grant discretionary relief is made within the first six months of the current financial year. Where a decision is taken to grant

discretionary relief after the first six months of the current financial year then it may only be backdated to 1 April in that year. This restriction applies to: -

- charities and not-for-profit organisations
- relief to support localism
- relief to support rural businesses in prescribed circumstances

Discretionary rate relief in respect of partly occupied properties is limited by law as the property must be partly occupied at the time of the application. Therefore, retrospective applications will not be considered.

## 7. Decision making

Upon receipt of an application the Corporate Finance Manager (or equivalent) or the s151 Officer has the discretion to make a decision or to delegate this to another officer within (usually) the Revenues Team. When considering an application we will, in addition to the contents of this document, be mindful of our limited financial resources. The council will notify the applicant of its decision as soon as practicable after it is made.

## 8. Payment of amounts falling due

Ratepayers must make payment of any amount that falls due whilst an application is pending. In the event that payment is not made the council reserves the right to continue with enforcement action.

## 9. Priority of mandatory /temporary reliefs

We will not grant discretionary rate relief without first ensuring that any appropriate mandatory rate relief and/or rate relief introduced as a temporary measure has been granted.

## 10. Payment of discretionary rate relief

Any grant of rate relief will be credited to the rate account and so reduce the amount the applicant would otherwise have to pay.

## 11. State Aid

Discretionary rate relief should not be granted where it appears that a grant will result in the ratepayer receiving state aid that is above the prevailing de-minimis level.

## 12. Reviews and appeals

There is no statutory right of appeal. We will however, in the interests of fairness, operate an internal review procedure. Any review will generally be considered in accordance with the following framework: -

- a request for a review should be submitted within one month of the initial decision being communicated to the applicant or his representative
- the appeal should be in writing and this

will provide an opportunity to submit additional information

- the review will be undertaken by an officer who was not the original decision maker
- the reviewer will reserve the right to consult with the original decision maker and anyone else as considered necessary
- we will, as soon as practicably possible, advise the applicant of the decision which we shall consider to be final

The applicant will have the right of appeal, by way of judicial review, to the High Court.

## 13. Fraud

We are committed to the fight against fraud. If we become aware that any information provided in connection with an application is incorrect or that relevant information was not declared then we may seek to recover the value of any rate relief that has been granted.

The value of any relief that has been granted may be removed from the account with any resulting balance becoming the subject of normal methods of collection and recovery.

Any suspicion that a fraudulent act has been committed may lead to criminal proceedings by the appropriate authority.

# Contact details

Alternative formats are available on request:  
audio, large print and Braille

South Kesteven District Council  
01476 40 60 80

 [www.southkesteven.gov.uk](http://www.southkesteven.gov.uk)

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