

# Appendix A

## Discretionary Rate Relief Policy

### 1 Introduction

If an organisation occupies a property on which it pays National Non-Domestic Rates (NNDR) it may be eligible for up to 100% Discretionary Rate Relief if it is operated within some or all of the following guidelines appropriate to the particular organisation.

The guidelines for determining relief are not intended to be a rigid set of rules; neither are all the guidelines applicable to every organisation. Each case will be judged on its merits taking into account the contribution which each organisation/business makes to the district's amenities and its resident's lifestyles and wellbeing.

### 2 Eligibility Criteria

<b>Eligibility Criteria for Rate Relief</b>	<b>Rate Relief</b>	<b>Amount of Relief</b>
Property wholly or mainly used for charitable purposes which is occupied by a registered charity, charity shop or registered Community Amateur Sports Club (CASC)	Mandatory (Charity)	80%
	Discretionary	20% (maximum)
Property, all, or part of which is occupied for the purposes of a non-profit making:  a) Institution or other organisation whose main objects are philanthropic or religious or concerned with social welfare, science, literature, or the fine arts.  b) Club, society or other organisation and is used for the purposes of recreation	Discretionary	100%(maximum)

### 3 Scope

The policy will be adhered to by all staff and members involved with consideration of Discretionary Rate Relief applications.

### 4 Applications

Applications must be supported by the organisation's constitution, main purposes, and objectives e.g., written constitution, memorandum of association, membership rules etc.

A full set of audited accounts for the latest financial year at the application date.

Details of how organisations/ businesses meet the criteria within the guidelines.

Applications from excepted businesses/organisations can not be considered. These are properties which are occupied by a billing or precepting authority e.g., District Council and County Council.

The government is intending to amend primary legislation in the Non-Domestic Rating (Multipliers and Private Schools) Bill to end mandatory relief eligibility for private schools (see bill for definition) with effect from 1 April 2025. Assuming this legislation is passed then NNDC will not be supporting discretionary applications from these organisations.

### **5 Factors to be taken into account**

North Norfolk District Council is keen to ensure that any relief awarded is justified and directed to those organisations making a valuable contribution to the well-being of local residents. The following factors will therefore be considered:

- a. The organisation should provide facilities that indirectly relieve the authority of the need to do so, or enhance or supplement those that it does provide
- b. The organisation should provide training or education for its members, with schemes for particular groups to develop skills
- c. It should have facilities provided by self-help or grant aid. Use of self-help and / or grant aid is an indicator that the club is more deserving of relief
- d. The organisation should be able to demonstrate a major local contribution.
- e. The organisation should have a clear policy on equal opportunity, freedom of Access and membership.
- f. It should be clear as to which members of the community benefit from the work of the organisation.
- g. Membership should be open to all sections of the community and the majority of members should be NNDC residents.
- h. If there is a licensed bar as part of the premises, this must not be the principal activity undertaken and should be a minor function in relation to the services provided by the organisation.
- i. The organisation must be properly run and be able to produce a copy of their constitution and fully audited accounts.
- j. Those organisations applying for relief, whose work involves young children, young people or vulnerable adults must be able to demonstrate that appropriate checks have been carried out on staff and volunteers, and that sound child protection policies are in place.
- k. The organisation must not have any unauthorised indebtedness to NNDC. Rates are due and payable until a claim for discretionary rate relief is agreed.
- l. The Council will not ordinarily consider awarding discretionary relief as a substitute when centrally funded reliefs or discounts are withdrawn, such as the removal of mandatory charity relief.

## **6 Period of Relief**

Relief will be granted for one year at a time.

The granting of relief will be reviewed annually and those in receipt of relief will be asked to supply or confirm relevant information for the purposes of the review.

## **7 Approval**

Approval of discretionary rate relief applications up to £4,000 cost to NNDC will be approved by the Revenues Manager under delegated authority shown below.

Initial recommendations are to be made by the Revenues Manager and then to the Discretionary Relief Panel for all other cases with a cost to NNDC of £4,000 and above, plus any new cases which the policy does not cover and needs further discussion.

The Discretionary NDR Relief Panel will consist of the following:

Revenues Manager  
Section 151 Officer or Deputy Section 151 Officer and  
Portfolio Member for Revenues and Finance.

Decisions on discretionary relief for financial years 2022/23 and earlier must have been made no later than 6 months after the end of the financial year that they relate to, and any determination after that time is rendered invalid.

Starting from financial year 2023/24 there is no restriction on when a decision has to be made, so decisions can now be made to award relief for any period backdated to 1<sup>st</sup> April 2023.

## **8 No Right of Appeal**

Once the application has been processed, the ratepayer will be notified in writing of the decision. As this is a discretionary power there is no formal right of appeal process against the Council's decision. However, we will reconsider the decision in the light of any additional points made.

If the application is successful and the organisation is awarded discretionary rate relief, it will be applied to the account and an adjusted bill will be sent.

## **9 Notification of Change of Circumstances**

Rate payers are required to notify any change of circumstances which may have an impact on the award of discretionary rate relief.

## **10 Withdrawal of relief**

Should an applicant in receipt of discretionary rate relief be found to be guilty of unlawful activities for whatever reason, entitlement will be forfeited from the date of conviction.

## **11 Costs to the Council**

The Local Government Finance Act 2012 introduced the Business Rate Retention Scheme in England from 1 April 2013. The Business Rate Retention Scheme currently provides for 50% of rate revenue to be retained by local authorities (40% NNDC and 10% NCC) and 50% by central government. As a result of this most discretionary reliefs are paid for by the local authority and central government, in these proportions.

### **Enterprise Zone Discount**

The District Council, alongside other Local Authorities, was invited by the Anglia Local Enterprise Partnership (LEP) in 2015 to submit applications for sites within the district area to be included in a New Anglia 'Space to Innovate' multi-site Enterprise Zone programme.

Two Sites have been agreed within North Norfolk District Council commencing 1 April 2016. Egmore Business Zone and Scottow Enterprise Park are geographically defined areas, hosted by Local Enterprise Partnerships in which commercial and industrial businesses can receive incentives.

Businesses that started up or relocating to the enterprise zone and were occupied by 31 March 2021 could qualify for business rates relief. This relief is applied if the hereditament is within the Enterprise Zone.

Up to 100% business rate discount can be awarded subject to subsidy controls.

### **Eligibility criteria**

The discount is for businesses occupied within the Enterprise Zone defined area from 1 April 2016 up to 31 March 2021.

### **Amount of Relief**

The Enterprise Discount is awarded at 100% of the rates liability.

### **Time Limited Relief – Supporting Small Businesses Relief**

At the Budget on 8 March 2017 the Chancellor announced the Government would make available the following business rate reliefs at the Spring Budget 2017. At the Budget on 27 October 2021 the Chancellor announced the Government would extend this by another year until 31 March 2023.

At the Autumn Statement on 17 November 2022 the Chancellor announced the Government would extend Supporting Small Business Relief for another year until 31 March 2024 and a new Supporting Small Business Relief scheme from 1 April 2023 caused by the revaluation and consequently lost Small Business Rates Relief or Rural Rate Relief.

### **The Supporting Small Businesses Relief**

This relief is government funded to local authorities so that they can provide relief for businesses that had a Rateable Value (RV) increase from 1 April 2023 caused by the 2023 NDR revaluation and as a consequence lost Small Business Rates Relief or Rural Rate Relief. This relief will limit any increase to £600 per year subject to subsidy control rules.

This relief is extended for another year until 31 March 2024 for businesses who were eligible for the 2022/23 relief on 31 March 2023 and were facing large increases in rates for 2023/24.

There is also a new Supporting Small Business Relief scheme which will cap bill increases at £600 per year for any businesses that had a Rateable Value (RV) increase from 1 April 2023 caused by the revaluation and consequently lost Small Business Rates Relief or Rural Rate Relief.

The relief will be delivered through local authority discretionary discount powers (under section 47 of the Local Government Finance Act 1988 as amended). Eligibility criteria for this relief are set out below.

This relief will be fully funded by government through a Section 31 Grant.

### **Eligibility criteria**

This relief will limit any increase to £600 per year subject to subsidy control rules until 31 March 2026.

### **Amount of Relief**

The amount of relief will limit these rate increases to £600 per year.

### **No Right of Appeal**

As this is a discretionary power there is no formal right of appeal process against the Council's decision. However, we will reconsider the decision in the light of any additional points made.

If the application is successful and the organisation is awarded discretionary rate relief, it will be applied to the account and an adjusted bill will be sent.

### **Notification of Change of Circumstances**

Rate payers are required to notify any change of circumstances which may have an impact on the award of discretionary rate relief.

### **Withdrawal of relief**

Should an applicant in receipt of discretionary rate relief be found to be guilty of unlawful activities for whatever reason, entitlement will be forfeited from the date of conviction.

### **Time Limited Relief – Retail, Hospitality and Leisure Relief**

At the Budget on 27 October 2021 the Chancellor announced the introduction of a new business rates relief called Retail, Leisure and Hospitality Discount for properties in 2022/23 to provide eligible retail, hospitality, and leisure properties with a 50% relief, up to a cash cap limit of £110,000 per business.

At the Budget on 17 November 2022 the Chancellor announced the Government would award a 75% Retail, Hospitality and Leisure Relief for properties for the 2023/24 financial year up to a cash limit of £110,000 per business.

At the Budget on 22 November 2023 the Chancellor announced the 2024/25 Retail, Hospitality and Leisure (RHL) scheme will be extended in 2024-25, retaining the existing scope and providing eligible properties with 75% relief, up to a cap of £110,000 per business.

At the Budget on 30 October 2024 the Chancellor announced the 2025/26 Retail, Hospitality and Leisure (RHL) scheme will be extended in 2025-26, retaining the existing scope and providing eligible properties with 40% relief, up to a cap of £110,000 per business and will be replaced by lower multipliers in 2026/27.

The relief will be delivered through local authority discretionary discount powers (under section 47 of the Local Government Finance Act 1988 as amended). Eligibility criteria for this relief are set out below.

This relief will be fully funded by government through a Section 31 Grant.

### **Eligibility criteria**

To qualify for retail, Leisure and Hospitality discount the business must meet the following conditions:

- be an occupied property and
- it is wholly or mainly

- 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

For more information regarding the above types of properties and what we consider them to mean, please visit the government's guidance <https://www.gov.uk/guidance/business-rates-relief-202425-retail-hospitality-and-leisure-scheme>

### **Amount of Relief**

If eligible, the business could get:

- 40% off the business rates bills for the period 1 April 2025 to 31 March 2026.

The above amounts have a cash cap up to up to £110,000 per business.

### **No Right of Appeal**

As this is a discretionary power there is no formal right of appeal process against the Council's decision. However, we will reconsider the decision in the light of any additional points made.

If the application is successful and the organisation is awarded discretionary rate relief, it will be applied to the account and an amended bill will be sent.

### **Notification of Change of Circumstances**

Rate payers are required to notify any change of circumstances which may have an impact on the award of discretionary rate relief.

### **Withdrawal of relief**

The business may refuse this relief for each eligible property anytime up to 30 April 2025. The ratepayer cannot withdraw their refusal for either all or part of the financial year.

Should an applicant in receipt of discretionary rate relief be found to be guilty of unlawful activities for whatever reason, entitlement will be forfeited from the date of conviction.

### **Time-Limited Relief – Flood Relief**

If the Government notifies North Norfolk District Council that it has been activated under the Flood Recovery Framework for a period of extensive flooding, then the Council will consider applications to award 100% Business Rate Relief for either:

- A minimum of 3 months, or
- Until the business is able to resume trading from the flooded premises if longer

In order to qualify for this relief:

- the hereditament was directly impacted by the relevant severe weather event– for instance flood damage to the property, equipment, and/or stock; or the business could not function due to lack of access to premises, equipment and/or stock as a result of flooding, restricted access for customers, suppliers and/or staff, and no alternatives were available, and
- on that day business activity undertaken at the hereditament was adversely affected as a result; and
- on that day the rateable value of the hereditament was less than £10 million

No relief can be awarded for flooding occurring outside of periods designated by Central Government.

### **Hardship Relief**

The relief will be delivered through local authority discretionary powers (under section 49 of the Local Government Finance Act 1988 as amended).

The eligibility criteria for this relief are set out in Appendix C.

Unlike reliefs that fall under section 47 which are fully funded by government through a Section 31 Grant, the Hardship Relief is funded through the Non-Domestic (business) Rate Retention Scheme.

### **Discretionary Rate Relief - Guidelines**

There are two ways in which Discretionary rate relief is granted

- a) To 'top-up' mandatory relief already awarded
- b) To award up to 100% based on various criteria

**Mandatory Relief is** granted where: -

- the ratepayer of a property is a charity or the trustees of a charity and
- the property is wholly/mainly used for charitable purposes (including charity shops, where the goods sold are mainly donated and the proceeds are used for the purposes of the charity)
- the ratepayer of a property is registered with Her Majesty's Revenues and Customs (HMRC) as a Community Amateur Sports Club (CASC).

**Discretionary Rate Relief**

When deciding whether to award discretionary rate relief consideration should be given to the interests of the taxpayers of North Norfolk District Council. The factors outlined in the policy should be taken into account when considering any application for relief.

The guidelines for determining relief are not intended to be a rigid set of rules; neither are all the guidelines applicable to every organisation. Each case will be judged on its merits taking into account the contribution which each organisation/business makes to the district's amenities and its resident's lifestyles and wellbeing.

**Discretionary Rate Relief Criteria 'Top –Up'**

The Council has the discretion to award up to a further 20% additional rate relief to reduce the liability still further and the policies detailed below are to be followed when dealing with an application.

Up to 20% Discretionary Rate Relief may be given.

**Charity Shops**

Mandatory relief will be granted where the ratepayer for a property is

- a charity or the trustees of a charity and
- donated goods relate to more than 50% of total sales and
- the proceeds of goods (after any deductions for expenses) are applied for the purpose of the charity

Providing the above criteria are met 80% mandatory relief will be granted.

Up to 20% Discretionary Rate Relief may be given in exceptional circumstances. Generally, relief will be limited to the 80% mandatory entitlement.

1	Meets local needs in the district and benefits local people	<ul style="list-style-type: none"> <li>• if the premises are used for the purposes of a national organisation or a semi-national (or county-wide) organisation the Council will not normally grant any discretionary relief</li> <li>• if the premises are used for a local organisation the extent to which the district and its</li> </ul>
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		residents benefit from the organisation will be taken into account.
2	As a guide does not have more than 12 months spending available as “free reserves” (not legally restricted)	<ul style="list-style-type: none"> <li>unless a Business Plan exists detailing how these reserves are to be used to the benefit of the local community</li> </ul>

### **Non-Profit Organisations, Clubs and Societies**

The Council has the discretion to award up to 100% Discretionary Rate Relief to organisations whose main objects are charitable or philanthropic, or concerned with education, social welfare, science, literature or fine arts or recreation. The determination of charitable status largely relies on case law which has established 4 main divisions of charity: -

- relief of poverty
- advancement of religion
- advancement of education and
- other trusts beneficial to the community and not falling under the other headings.

### **Criteria**

Discretionary relief can only be awarded if the organisation is not excepted (a billing authority or precepting authority) and: -

1	The main objects of the organisation are concerned with	<ul style="list-style-type: none"> <li>• relief of poverty</li> <li>• advancement of religion</li> <li>• advancement of education</li> <li>• social welfare</li> <li>• science</li> <li>• literature</li> <li>• fine arts or</li> <li>• recreation or</li> <li>• in other ways are beneficial to the community</li> </ul>
2	Meets local needs in the district and benefits local people	<ul style="list-style-type: none"> <li>• if the premises are used for the purposes of a national organisation or a semi-national (or county-wide) organisation the Council will not normally grant any discretionary relief</li> <li>• if the premises are used for a local organisation the extent to which the district and its residents benefit from the organisation will be taken into account.</li> </ul>
3	Provides a valuable service to the community	<ul style="list-style-type: none"> <li>• which is complimentary to those services provided by or supported by the Council or</li> <li>• which relieves the need for the</li> </ul>

		Council to provide such services
4	Is open to all sections of the community	<ul style="list-style-type: none"> <li>• or access is restricted by providing a service for a specific sector of the community for justifiable reasons such as addressing inequality</li> </ul>
6	Is non-profit making	<ul style="list-style-type: none"> <li>• as a guide, no more than 12 months expenditure in unrestricted reserves unless a Business Plan exists detailing how these reserves are to be used to the benefit of the local community</li> </ul>

## **Sports Clubs**

There are additional considerations in the case of sports clubs.

If a club effectively discriminates by only accepting members who have already reached a certain standard, rather than seeking to promote the attainment of excellence by enhancing access and the development of sporting aptitude, then it does not have an open membership policy. So, a club selecting members based on existing attainment would not come within the requirements.

Although clubs should be open to all without discrimination, single sex clubs may be permitted where such restrictions are not discriminatory in intent but a genuine result of physical restraints (such as changing room facilities) or the requirements of the sport

## **(2) Organisations with Licensed Bar Facilities**

### **Sports Clubs/Other Organisations**

Any Discretionary Rate Relief award will be aimed at the sporting activity of the club.

- If the bar income aids the overall operation and development of the organisation this would be allowable if the sporting activity remains the overall objective of the organisation. This will be particularly relevant where the organisation is the only such one in the Parish.

## **(3) Membership and Entry Fees**

If the organisation requires a membership or entry fee the Council will give regard as to whether: -

- The subscription or fees are set at a high level which excludes the general community
- Fee reductions are offered for certain groups such as under 18s or over 60s
- Membership is encouraged from groups such as young people, older age groups, persons with disabilities or ethnic minorities
- Facilities are available to people other than members, e.g., schools, public sessions

Where the Council gives relief practice has been to award up to 80% to Clubs and organisations and up to 50% where organisations operate bar facilities.

### **Community Amateur Sports Clubs (CASC)**

If a sport's club is registered with HM Revenues and Customs (HMRC) as a CASC it will be entitled to 80% mandatory relief. The club may also be awarded 20% discretionary rate relief.

Normally sports clubs that can register with HM Revenues & Customs as a CASC and have not done so will not be awarded discretionary rate relief. Details can be found on the HMRC website <https://www.gov.uk/register-a-community-amateur-sports-club>

### **UK Subsidy Control**

The UK Subsidy Control Bill replace State Aid with Subsidy Control.

Providing relief under this policy is likely to amount to Subsidy. This policy is covered by the rules set out in UK legislation.

**Revised 23 January 2025.**