

BROMSGROVE DISTRICT COUNCIL

CABINET

3RD MARCH 2010

NON DOMESTIC RATES - HARDSHIP RELIEF POLICY

Responsible Portfolio Holder	Cllr Denaro
Responsible Head of Service	Jayne Pickering
Non-Key Decision	

1. SUMMARY

- 1.1 To request Councillors consider approval to adopt a National Non Domestic Rates Hardship Policy.

2. RECOMMENDATION

- 2.1 That the Council considers the policy and approves its adoption.
- 2.2 That the approval of applications be delegated to the S151 officer of the Council.

3. BACKGROUND

- 3.1 Non Domestic Rates (NDR) is a national tax on Non Domestic Properties (Business) levied by the Council.
- 3.2 The council is responsible for the collecting the charges which are paid into a central pool and redistributed to Councils, County Council and Police Authorities
- 3.3 Due the current economic climate it has become apparent that a number of businesses are looking to apply for relief due to financial hardship.
- 3.4 Section 49 of the Local Government Finance Act 1988 gives billing authorities (the Council) the discretion to reduce or remit the payment of Non Domestic Rates for any ratepayer. The Council can do so where it is satisfied that the ratepayer would sustain real hardship if it did not do so, and it is responsible to do so, having regarded to the wider interests of its Council Tax Payers.
- 3.5 It is important to recognise that the award of Hardship Relief is purely discretionary, and as there is no legislation requirement for Councils to

make such awards, they should not adopt a blanket policy to award or not award relief, dealing with each case on its own merits.

- 3.6 The hardship policy includes criteria which have to be met by the businesses to enable the relief to be granted. These include;
- The impact the closure of the business would have on employment in the area, and if the amenities available to the public would be reduced if the business was no longer trading.
 - Other business in the area which provide the same or similar services or facilities
 - Whether the business is essential to the local community eg the impact on a community through the loss of its only village shop

4. FINANCIAL IMPLICATIONS

- 4.1 There is currently no budget allocated to grant hardship relief to business rate payers. Any allocation would have to be met from existing budgets.
- 4.2 25% of the award must be borne by the council and the local Council Tax payers, as only 75% of any award can be recovered from the non domestic pool
- 4.3 It is recommended that the relief be limited to a maximum of 10% of the annual rate charge, for a period of three months in any financial year

5.0 LEGAL IMPLICATIONS

- 5.1 Section 49 of the Local Government Finance Act 1988, gives billing authorities' (the council), the discretion to reduce or remit the payment of non domestic rates for any ratepayer
- 5.2 The council can do so where it is satisfied that the ratepayer would sustain real hardship if it did not do so, and it is reasonable to do so having regard to the wider interests of its Council Tax payers
- 5.3 The award of Hardship Relief is purely discretionary, and there is no legislative requirement for councils to make such awards
- 5.4 Applications must be made in writing , and the last 2 years audited trading accounts must be submitted, along with other information outlined in the policy at appendix 1.

6. COUNCIL OBJECTIVES

- 6.1 Maximising the collection of NDR in order to achieve high customer satisfaction as specified in KD04. In order a professional service, to all

business rate payers, advising and ensuring that reliefs are granted when eligible.

7. RISK MANAGEMENT INCLUDING HEALTH & SAFETY CONSIDERATIONS

7.1 The main risks associated with the details included in this report are:

- Loss of income
- Performance of Local Indicators

Risk Register: *Financial Services*

Key Objective Ref No: 1

Key Objective: *Maximise collection of Council Tax and Business Rates*

8. CUSTOMER IMPLICATIONS AND EQUALITIES AND DIVERSITY

8.1 The Councils Hardship Relief Policy makes provision for customers to be treated fairly and equally.

9. OTHER IMPLICATIONS

Procurement Issues	None
Personnel	None
Governance/Performance Management	None
Community Safety including Section 17 of Crime and Disorder Act 1998	None
Policy	None
Biodiversity	None

10. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Joint Chief Executive	Yes
Executive Director - Partnerships and Projects	
Executive Director – Services	
Assistant Chief Executive	Yes
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal, Equalities & Democratic Services	Yes

Head of Organisational Development & HR	
Corporate Procurement Team	No

11. WARDS AFFECTED

All wards

12. APPENDICES

Appendix 1 Hardship Relief Policy

CONTACT OFFICER

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