

# **Wolverhampton City Council**

## **Business Rates Discretionary Relief**

### **(Hardship) Policy**

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## **1. Introduction**

- 1.1. This policy sets out the circumstances in which reductions in rate liability will be granted due to part occupation.
- 1.2. Section 49 of the Local Government Finance Act 1988 provides councils with discretion to grant rate relief where a business is suffering hardship.
- 1.3. The amount of any relief awarded can reduce or remit the full business rates charge on both occupied and unoccupied properties.

## **2. Purpose and principles of the policy**

- 2.1. The purpose of this policy is to
  - Ensure that all applications are treated in a fair, consistent and equal manner.
  - Set a framework for how ratepayers can apply for this relief.
  - Make clear the limited criteria under which relief will be awarded.
  - Set out the delegated authority for dealing with applications.
- 2.2. Each application will be considered on its individual merit but in making a decision on the award the decision maker will give due consideration to the requirements of the Policy Framework.
- 2.3. This policy has been written in line with Government guidance.

## **3. Requirements for Applications**

- 3.1. Applications will only be considered where a written application is received from the ratepayer, or where the ratepayer is an organisation, a person properly authorised to make an application on behalf of the organisation.
- 3.2. Applications must provide relevant information to demonstrate the loss of trade or business to include the following:
  - audited accounts for at least 3 years and cash flow forecast (in the case of a new business an estimate of annual income/expenditure by the Director/bookkeeper/accountant
  - in the cases of sole traders/partnerships, details of drawings from the business and a breakdown of personal income and expenditure
  - details of steps that have been/are being taken in an attempt to keep the company sustainable
  - a business plan

- details of the number of employees prior the problems experienced and current number of employees
  - details of any relationships with any other businesses, particularly with local suppliers
  - details of any benefits provided by the business to the elderly, young or any other disadvantaged group
  - any other information which may support the application
  - contact details of the relevant officer
  - a signed declaration setting out any amount of State Aid received within the preceding three years
- 3.3. The Council will request any supporting evidence it considers necessary to properly assess the merits of the application.
- 3.4. Ratepayers must continue to pay any amount of rates that fall due whilst an application is under consideration.

#### **4. Decision Making Framework**

- 4.1. Relief will only be granted in exceptional circumstances giving consideration to the following:
- the ratepayer would sustain hardship if relief is not applied
  - it is reasonable for the Council to grant relief having considered the interests of its council tax payers
- 4.2. When considering an application for relief the following factors will be taken into account:
- whether the granting of relief will help the business through a temporary difficulty
  - the effect on local businesses, employment and the residents of Wolverhampton
  - whether the business is the only one of its kind in the vicinity and it is in the interests of the community to grant relief
  - whether the current hardship (financial or otherwise) could have been foreseen and avoided

#### **5. Duration of Awards**

- 5.1. The amount of relief granted may be for a fixed sum or be equivalent to a period of charge. Whilst each application will be considered on its own merits,

it is unlikely that any relief will be granted for more than the current financial year.

- 5.2. The ratepayer will be notified of the decision in writing.
- 5.3. Ratepayers are required to notify the Council immediately of any change in circumstances that may affect their entitlement to relief.

## **6. State Aid**

- 6.1. Relief will not be awarded in any circumstances where it appears that an award will result in the ratepayer receiving state aid that is above the current de minimis level. Each application must be accompanied by a statement signed by the appropriate person representing the business setting out the amount of state aid, including but not limited to discretionary rate relief, which the ratepayer has received within the previous three years. Applications will not be considered until this statement is received.

## **7. Review Process**

- 7.1. There is no statutory right of appeal against a decision made by the Council regarding discretionary rate relief. However, the Council recognises that ratepayers should be entitled to have a decision reviewed if they are dissatisfied with the outcome.
- 7.2. The council will accept a written request for a review of its decision. The request should include the reasons for requesting a review and any supporting information.
- 7.3. A request for review must be made within one calendar month of the date of the decision letter.
- 7.4. Reviews will be considered by an officer independent of the original decision maker.
- 7.5. The letter notifying of the outcome of an application for relief will include instructions on how to request a review and the address where any request for review should be sent
- 7.6. The applicant will be notified of the outcome of the review in writing.
- 7.7. This review process does not affect a ratepayer's legal right to seek leave to challenge a decision by way of Judicial Review.