

# North Norfolk District Council

## 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 that each organisation/business makes to the Districts amenities and its residents lifestyles and wellbeing.

### 2. Eligibility Criteria

Eligibility Criteria for Rate Relief	Rate Relief	Amount of Relief
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, 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)

Property is a qualifying:	Mandatory	50%
Food Shop	(Rural Rate Relief)	
General Store		
Post Office		
Sole Public House	Discretionary	50%(maximum)
Sole Petrol Filling Station	(Rural Rate Relief)	

### 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 organisations 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 cannot be considered. These are properties which are occupied by a billing or precepting authority e.g. District Council. County Council.

### 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 clear policies 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 principle 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.**

## **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**

Initial recommendations are to be made by the Revenues Manager with final approval from the Section 151 Officer and the Cabinet Portfolio holder.

Authorities must determine applications within six months after the end of the financial year for which the application for relief is made. Determinations after this time are invalid.

## **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 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.

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

Ratepayers are required to notify any change of circumstances that 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. The local authority and central government pay for most discretionary reliefs, in these proportions.

## **12. 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. Egmere Business Zone and Scottow Enterprise Park are geographically defined areas, hosted by Local Enterprise Partnerships in which commercial and industrial businesses can receive incentives.

If you are starting up or relocating to an enterprise zone, you 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 worth up to £55,000 a year over 5 years period.

### **Eligibility criteria**

The discount is for businesses occupied within the Enterprise Zone defined area from 1 April 2016.

### **Amount of Relief**

The Enterprise Discount is awarded at 100% of the rates liability subject to state aid de minimis rules. The limit is 200,000 euros over 3 years which is approx. £55k per year (£165k in total) this is on a rolling basis so first three years 1, 2 & 3 and then year 2, 3 & 4 must not exceed this limit.

## **Time Limited Relief – Rural Rate Relief**

In the Autumn 2016 Budget Statement, the chancellor announced the doubling of rural rate relief from 50% to 100% with effect from 1 April 2017.

### **Rate relief for businesses in rural areas**

Rural Rate Relief of 50% is currently awarded as mandatory relief under legislation.

Certain types of properties in a rural settlement (shown at the end of this policy) with a population below 3,000 may be entitled to this relief. The property must be the only general store, the only post office or a food shop and have a rateable value of less than £8,500, or the only public house or the only petrol station and have a rateable value of less than £12,500. The property has to be occupied. An eligible ratepayer is entitled to relief at 50% of the full charge whilst the local authority also has discretion to give further relief on the remaining bill.

Currently NNDC can award up to 50% discretionary top up relief.

The 2016 Autumn Statement confirmed the doubling of rural rate relief from 50% to 100% from 1st April 2017. The Government set out their intention to amend the relevant primary legislation to require local authorities to grant 100% mandatory rural rate relief. Local authorities were expected to use their discretionary rate relief powers to grant 100% rural rate relief to eligible ratepayers from 1st April 2017. Following the decision not to reintroduce the Local Government Finance Bill, for 2018/19, the Government announced it expects local authorities to continue to use their powers to grant 100% rural rate relief to eligible ratepayers, as they have done so since 2017/18. The 50% top up discretionary rate relief will be fully funded by government through a Section 31 Grant.

## **Time Limited Relief – Relief for Local Newspapers**

In the March 2016 Budget Statement, the government announced a new scheme of discretionary rate reliefs to assist and encourage the development and occupation of business premises.

### **Relief for Local Newspapers**

This relief is government funded to local authorities so that they can provide a rates discount for office space occupied by local newspapers worth up to £1,500 a year.

This was originally for 2 years only from 1st April 2017 however; the Government extended this in the 2018 Autumn Budget to include 2019/20. On 27 January 2020, the Financial Secretary to the Treasury made a Written Ministerial Statement announcing additional business rates measures that will apply from 1 April 2020 including the extension of the £1,500 business rates discount for office space occupied by local newspapers that will apply for an additional 5 years until 31 March 2025.

This is up to a maximum of one discount per local newspaper title and per hereditament, and up to state aid limits. The relief will be delivered through local authority discretionary discount powers (under section 47(3) of the Local Government Finance Act 1988). Eligibility criteria for this relief are set out below.

### **Eligibility criteria**

The relief will provide £1,500 relief for office space occupied by local newspapers up to a maximum of one discount per local newspaper title and per hereditament.

### **Local Newspapers**

The relief is to be specifically for local newspapers and by that, we mean what would be considered a “traditional local newspaper.” The relief will not be available to magazines.

### **Office Space**

The hereditament must be occupied by a local newspaper and wholly or mainly used as office premises for journalists and reporters.

### **Amount of Relief**

The amount of relief is limited to a maximum of one discount per newspaper title (e.g. per newspaper name) and per hereditament.

The case for a business rates relief for local newspapers, can be obtained at [www.gov.uk/government/consultations/the-case-for-a-business-rates-relief-for-local-newspapers](http://www.gov.uk/government/consultations/the-case-for-a-business-rates-relief-for-local-newspapers)

### **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**

Ratepayers are required to notify any change of circumstances that 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.

## **Costs to the Council**

The above reliefs are government funded.

## **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.

### **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 2017 caused by the 2017 NDR revaluation and therefore lost Small Business Rates Relief or Rural Rate Relief. This relief will limit any increase to £600 per year for the next 5 years subject to state aid rules.

The relief will be delivered through local authority discretionary discount powers (under section 47(3) of the Local Government Finance Act 1988). Eligibility criteria for this relief are set out below.

### **Eligibility criteria**

This relief will limit any increase to £600 per year for the next 5 years subject to state aid rules from 1 April 2017.

### **Amount of Relief**

The amount of relief will limit these rate increases to £600 per year, so there will be a maximum of £3,000 rates to pay in total over the next 5 years.

### **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**

Ratepayers are required to notify any change of circumstances that 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.

### **Costs to the Council**

The above relief is government funded.

### **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)

or in the case of Mandatory Rural Rate Relief, the property is a qualifying:

- food shop
- general store
- post office
- public house
- petrol filling station



Registration under the Charities Act 1993 as amended is conclusive evidence of charitable status. Bodies that, under the 1993 Act, are excepted from registration or are exempt charities are also eligible for mandatory relief.

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

### **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 that each organisation/business makes to the Districts amenities and its residents 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 is 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></ul>
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		<ul style="list-style-type: none"> <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>
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 that 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>
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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 Council to provide such services</li> </ul>
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. Therefore, 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 as long as 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 particular 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>

### **Discretionary Rural Rate Relief**

Rural Rate Relief applies to certain properties that are situated in a rural settlement (shown at the end of this policy). A rural settlement is one that appears to have a population of not more than 3,000 on the 31<sup>st</sup> December preceding the financial year in question, which is wholly or partly within a designated area. The Rural Settlement list is published each year.

If a business meets the criteria for mandatory relief (50%) under the Rural Rate Relief legislation then an application for discretionary rate relief can be considered.

Up to 50% Discretionary Rate Relief may be given See details of mandatory relief for rural rate relief properties.

### **Sole - General Store/Post Office/Food Shops with a Rateable Value of £8,500 or less.**

If the above business meets the criteria for mandatory relief (50%) under the Rural Rate Relief legislation then an application for discretionary rate relief can be considered.

Up to 50% Discretionary Rate Relief may be given.

#### **Criteria**

- 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
- The business must be considered to be of benefit to the local community in accordance with the criteria in the policy.

### **Sole - Public Houses/ Petrol Filling Stations Rateable Value of £12,500 or less**

If the above business meets the criteria for mandatory relief (50%) under the Rural Rate Relief legislation then an application for discretionary rate relief can be considered.

Up to 50% Discretionary Rate Relief may be given.

#### **Criteria**

- 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
- The business must be considered to be of benefit to the local community in accordance with the criteria in the policy.

### **Any Other Business within a Rural Settlement**

Up to 100% Discretionary Rural Rate Relief may be given.

#### **Criteria**

- Rateable Value above £8,500 and less than £14,000

- 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
- The business must be considered to be of benefit to the local community in accordance with the criteria in the policy.

**Revised 11 March 2021**

## **Non Domestic Rating Rural Settlement List 2021/2022**

### **Background**

The provisions of the Local Government and Rating Act 1997 relating to Rural Rate Relief for village stores, post offices and small businesses came into force on the 1 April 1998.

Before any business can be considered for mandatory or discretionary relief, it must be in a designated rural settlement. Initially, by the 31 December 1997, Local Authorities were responsible for compiling a rural settlement list comprising of settlements within rural areas where the population is less than 3,000 on the preceding December.

### **Maintaining the List**

The Council has a duty to compile and maintain the list. The new proposed Rural Settlement list for North Norfolk District Council is shown overleaf.



Sean Knight  
**Revenues Manager**

Alby with Thwaite	Edgefield	Itteringham	Sculthorpe	Walsingham
Aldborough and Thurgarton	Erpingham and Calthorpe	Kelling	Sea Palling and Waxham	Warham
Antingham	Felbrigg	Kettlestone	Sidestrand	Wells-next-the-Sea
Ashmanhaugh	Felmingham	Knapton	Skeyton	West Beckham
Aylmerton	Field Dalling and Saxlingham	Langham	Sloley	Westwick
Baconsthorpe	Fulmodeston and Barney	Lessingham and Eccles	Smallburgh	Weybourne
Bacton and Edingthorpe	Gimingham	Letheringsett with Glandford	Southrepps	Wickmere
Barsham and Houghton St Giles	Great Snoring	Little Barningham	Stibbard	Wighton
Barton Turf and Irstead	Gresham	Little Snoring	Stiffkey	Witton and Ridlington
Beeston Regis	Gunthorpe and Bale	Ludham	Stody and Hunworth	Wiveton
Binham and Cockthorpe	Hanworth	Matlask	Suffield	Wood Norton
Blakeney	Happisburgh	Melton Constable	Sustead, Bessingham and Metton	Worstead and Briggate
Bodham	Helhoughton	Morston	Sutton	
Briningham	Hempstead	Mundesley	Swafield and Bradfield	
Brinton and Sharnington	Hempton	Neatishead	Swanton Abbott	
Briston	Hickling	Northrepps	Swanton Novers	
Brumstead	High Kelling	Overstrand	Tattersett and Tatterford	
Catfield	Hindolveston	Paston	Thornage	
Cley Next The Sea	Hindringham	Plumstead	Thorpe Market	
Colby and Banningham	Holkham	Potter Heigham	Thurning	
Corpusty and Saxthorpe	Honing and Crostwright	Pudding Norton	Thursford	
Dilham	Horning	Raynham	Trimingham	
Dunton, Toftrees and Shereford	Horsey	Roughton	Trunch	
East Beckham	Hoveton	Runton	Tunstead and Sco Ruston	
East Ruston	Ingham	Ryburgh	Upper Sheringham	
	Ingworth	Salthouse	Walcott	
		Scottow		