

Coventry City Council

Non Domestic Rates Policy for all Discretionary
Relief – (excluding charities & not for profit
organisations)



Introduction

A National Non-Domestic Rate (NNDR) is payable on all non-domestic properties.

The amount payable is calculated by multiplying the rateable value (set by the Valuation Office Agency) with a national multiplier (which is increased each year by the consumer price index, unless a lower multiplier is set by Government). Councils are responsible for the collection of rates and any business rate growth or loss is shared between Central Government, the Council and its preceptors.

The Council has several areas where it can exercise its discretion to provide reductions to the amount of business rates that are due to be paid.

This policy document outlines the areas of local discretion and the Council's approach to:

- Hardship Relief
- Partly Occupied Relief
- Section 69 The Localism Act 2011
- Local Newspaper Relief
- Supporting Small Business Rate Relief
- Retail, Hospitality and Leisure Relief
- Heat Network Relief

The Council has ultimate discretion in considering an application.

This policy provides an overarching framework for discretionary relief in order that the Council's decision-making in respect of relief may be fair, consistent and transparent.

1. Hardship Relief

General Principles

Section 49 of the Local Government Finance Act 1988 gives the billing authority (the Council) power to reduce or cancel rates (in occupied or unoccupied properties) where:

- the Council is satisfied that the ratepayer would sustain hardship if it did not reduce or remit the rates; and
- it is reasonable to make such a decision having regard to the interest of local council tax payers.

1.1 Key Criteria:

- Each case should be considered on its own merits.
- The test of hardship need not be confined to financial matters; all relevant factors should be considered, including the impact on the local community.

- The interest of council tax payers should be viewed wider than the direct financial cost to non domestic rate ratepayers

1.2 Claiming Hardship Relief

- Applicants are required to complete an application form for rates to be reduced or cancelled because of hardship.
- Applicants must include copies of trading accounts and bank statements.
- Applications will be considered by the Council Tax and Business Rates Manager.
- The Council may request additional information in support of an application. If supporting information is not provided within one calendar month from the date of request the Council may deem the application to be unsuccessful.

1.3 Maximum award

The Council can award between 1% to 100% relief.

1.4 Notification

The Council will inform customers, by letter or email, of the outcome of their application within seven days of making a decision.

Where the application is successful, the notification will include the following information:

- a. The amount of Rate Relief to be awarded for the period.
- b. Details of when an amended non domestic rate demand will be issued.

Where the application is not successful, the notification will provide full reasons for the decision and confirm the applicant's right to request a review of the decision (see Reviews & Appeals).

1.5 Requirement to make payment of amounts falling due

Ratepayers must continue to pay any amount of business rates that falls due pending the outcome of the application. The Council may apply its normal recovery procedures in cases where payments are not received.

2. Section 44A Part Occupied Property Relief

General Principles

Section 44a of the Local Government Finance Act 1988 Act enables a billing authority (the Council) to grant relief on a property that is partly occupied or not fully occupied, so long as the situation exists for a short time only.

Full rates will remain payable on a partly occupied property if the authority chooses not to exercise its power in this respect.

2.1 Key Criteria

The permanency of the situation needs to be ascertained. In some cases it may be appropriate to request the Valuation Officer to split the assessment.

The Council will consider whether granting the relief will be beneficial to both council tax payers & non domestic ratepayers. Some examples where it may be deemed reasonable to award the relief are:

- Where full occupation is being phased in over a period of time; this may be due to relocation to the City.
- Where there are difficulties in occupying the whole of the property due to short term practical or financial restraints.
- Temporary occupation, for example due to remedial building or refurbishment works, fire damage or similar.

2.2 General exclusions

In general terms the following conditions are unlikely to be awarded relief:

- Full vacation occurring in stages over a period of time, taking business out of the City.
- Where there is no intention to occupy the whole of the property.
- Where the property has already received the benefit of the relief for the same area in the previous financial year.
- Where unoccupied areas are continuously rotated to consecutively apply for the relief.

2.3 Business Case

If a ratepayer is moving to different parts, within the same property more than once, the Council will require a business case to be submitted in support. This will need to explain clearly why such changes to the business are required and the reason this results in another part of the premises being temporarily unoccupied.

2.4 Claiming Section 44a

All applicants are required to complete an application form available on the Council's website.

The Council may request additional information in support of an application. If supporting information is not provided within 1 calendar month from the date of request the Council may deem the application to be unsuccessful.

2.5 Retrospective Claims

Relief will only be considered if the Council has the opportunity to conduct a visit during the period requested.

Relief will not normally be awarded in respect of any period prior to the day an application is made except where:

- The applicant is newly liable for business rates and an application is received within 1 calendar month of the new liability arising or
- There are exceptional circumstances, and the ratepayer can demonstrate good cause for not submitting the application earlier.

No consideration shall be given to an award for a retrospective period where the Council is not able to verify to its satisfaction that the circumstances giving rise to the application pertained for that period.

2.6 Inspectors Visit

A visit to the property for which relief is sought will need to be made by a Revenues Inspector.

2.7 Maximum Award

The relief will cease on the day one of the following arises:

- the occupation of any area of the unoccupied parts of the premises;
- the ending of the rate period in which the apportionment was requested;
- a further apportionment is required; or
- the area becomes completely occupied.

2.8 Notification

A letter of notification will be sent to the ratepayer and an amended bill issued to show the:

- period of the award; and
- amount of the relief

The letter will also inform the ratepayer that regular unannounced visits to the premises will be made by council inspectors and that the Council must be informed immediately of any change of circumstances that may affect the relief.

Where the application is not successful, the notification will provide full reasons for the decision and confirm the applicant's right to request a review of the decision (see Reviews and Appeals).

3. Section 69 The Localism Act 2011

General Principles

Section 69 of the Localism Act 2011 amended Section 47 of the Local Government Finance Act 1988 allowing local authorities to reduce the business rates of any local ratepayer for any reason, not just those that can currently be granted discretionary rate relief. The local authority may only grant relief if it would be reasonable to do so having regard to the interests of council tax payers in its area.

3.1 Key Criteria

Relief may be granted for any reason and therefore specific criteria cannot be listed as each application will be considered on its own merits. However, whilst there is a cost implication to the council in awarding relief, it may be that the immediate cost of the relief is outweighed by the long-term benefit i.e. attracting growth and jobs to the area.

3.2 Claiming Relief

All requests for relief must be made in writing.

The Council may in any circumstances verify any information or evidence provided by the ratepayer by contacting third parties, other organisations and the ratepayer.

Where the request does not contain sufficient information, the Council will contact the ratepayer to seek any missing information or clarification where it is necessary.

The Council may request additional information in support of an application. If supporting information is not provided within one calendar month from the date of request the Council may deem the application to be unsuccessful.

3.3 Maximum award

The Council can award any amount up to 100% relief.

3.4 Finance

There is currently no budgetary provision for meeting the cost of any such award.

Therefore, any decision to award relief will be made by the Head of Service, Section 151 Officer or appropriate Cabinet Member depending on the amount of relief.

3.5 Notification

The Council will inform the customer applying, in writing (or email), of the outcome of their application within seven days of making a decision.

Where the application is successful, the notification will include the following information:

- The amount of rate relief to be awarded for the period.
- Details of when an amended non domestic rate demand will be issued.

Where the application is not successful, the notification will provide full reasons for the decision and confirm the applicant's right to request a review of the decision (see Reviews and Appeals).

3.6 Requirement to make payment of amounts falling due

Ratepayers must continue to pay any amount of business rates that falls due pending the outcome of the application. The Council may apply its normal recovery procedures in cases where payments are not received.

4. Local Newspaper Relief

General Principles

The Government announced in the Autumn statement on 23 November 2016 that it will provide a discount of up to £1,500 per year for 2 years from 1 April 2017, to office space occupied by local newspapers. The Autumn statement on 29 October 2018 extended this relief to financial year 2019/20. In a Written Ministerial Statement 27 January 2020, the Government further extended this relief to apply in the financial years 2020/21 to 2024/25.

As this is a measure for 2017/18 to 2024/25 only, the Government is not changing legislation, however it will reimburse local authorities that use its discretionary powers, introduced by the Localism Act (under Section 47 of the Local Government Finance Act 1988, as amended) to grant relief in line with eligible criteria. Central Government will reimburse local authorities for their share of the discretionary relief under the rates retention scheme.

The purpose of the relief is to assist local newspaper publishers as they adapt to industry changes from print to digital and maintain a local physical presence.

4.1 Key Criteria:

- The property must be occupied by a local newspaper title and used wholly or mainly as offices for journalists and reporters.
- The local newspaper can be chargeable or free.
- Only one discount is available per local newspaper title and per property
- Subsidy Control limits

4.2 Exclusions:

- Local council newspapers
- On-line only publications
- Local magazines

4.3 Claiming Local Newspaper Relief

There is no application form. Applicants should apply for the relief in writing to the Business Rates Team confirming that they satisfy each of the eligibility criteria.

4.4 Maximum Award

The total amount of government funded relief available is £1,500 for each financial year 2017/18 to 2024/25 for one local newspaper title and property.

The relief will be applied against the net bill after all other reliefs.

4.5 Notification

Where the application is successful, a revised bill will be issued.

Where the application is not successful, the notification will provide full reasons for the decision and confirm the applicant's right to request a review of the decision.

4.6 Requirement to make payment of amounts falling due:

Ratepayer's must continue to pay any amount of business rate that falls due pending the outcome of an application. The Council may apply its normal recovery procedures in cases where payments are not received.

5.2023 Supporting Small Business Relief

General principles

During the Autumn Statement, 17 November 2022, the Government announced a new relief scheme to support ratepayers facing increases in business rates charge as a result of the loss of Small Business Rates Relief or 2017 Supporting Small Business Relief at the 2023 revaluation. This relief is in addition to the Transitional Relief arrangements effective from 1 April 2023.

The Government is not changing legislation and will reimburse local authorities that use its discretionary powers, introduced by the Localism Act (under Section 47 of the Local Government Finance Act 1988, as amended) to grant relief in line with eligible criteria. Central Government will reimburse local authorities for their share of the discretionary relief under the rates retention scheme.

5.1 Key Criteria

The increase on charge is limited to:

- £600 per year
- Those ratepayers on the Supporting Small Business Relief scheme whose 2023 rateable values are £51,000 or more will not be liable to pay the small business supplement.

Relief will be recalculated on any changes to the rateable value.

5.2 Eligibility Criteria:

- The ratepayer has lost some or all entitlement to Small Business Rate Relief or 2017 Supporting Small Business Relief as a result of the 2017 revaluation or at the 2023 revaluation, as appropriate.
- The property is occupied.
- Subsidy Control limits

5.3 Exclusions:

- The property is unoccupied.
- The property is occupied by a charity or a Community Amateur Sports Club.
- Ratepayers who received 2017 Supporting Small Business Relief in financial year 2022/23 are not eligible for 2023 Supporting Small Business Relief from financial year 2024/25 onwards.

5.4 Claiming Supporting Small Businesses Rate Relief

There is no application form. Entitlement to Supporting Small Business Relief is automatically calculated and granted to eligible ratepayers.

5.5 Notification:

A revised bill will be issued showing any entitlement.

6. Retail, Hospitality and Leisure Relief

General Principles

During the Autumn Statement, 17 November 2022, the Government announced that it will provide a 75% relief to all occupied retail, hospitality and leisure properties for financial year 2023/24 only, subject to a cash cap of £110,000 per business.

During the Autumn Statement, 22 November 2023, the Government extended the scheme for financial year 2024/25.

6.1 Key Criteria

- 75% relief, subject to a maximum £110,000 cash cap per business

And;

- The Property must be occupied
- There is no rateable value limit
- The Property must be used wholly or mainly as:
 - a) a shop, restaurant, café, drinking establishment, cinema or live music venue;
 - b) for assembly and leisure; or
 - c) a hotel, guest or boarding premises, or self-catering accommodation
- The eligible ratepayer has not refused the discount. (The eligible ratepayer cannot withdraw their refusal for either all or part of the financial year)
- Subsidy Control limits

6.2 Eligible Businesses

The Ministry of Housing, Communities & Local Government has issued guidance outlining what they consider eligible property uses to mean, including:

a) Shops, restaurants, cafes, drinking establishments, cinemas and live music venues:

- **Hereditaments that are being used for the sale of goods to visiting members of the public:**
 - Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewelers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc)
 - Charity shops
 - Opticians
 - Post offices
 - Furnishing shops/display rooms (such as: carpet shops, double glazing, garage doors)
 - Car/caravan show rooms
 - Second hand car lots
 - Markets
 - Petrol stations
 - Garden centres
 - Art galleries (where art is for sale/hire)

- **Hereditaments that are being used for the provision of the following services to visiting members of the public:**
 - Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops, etc)
 - Shoe repairs/key cutting
 - Travel agents
 - Ticket offices eg: for theatre
 - Dry cleaners
 - Launderettes
 - PC/TV/domestic appliance repair
 - Funeral directors
 - Photo processing
 - Tool hire
 - Care hire

- **Hereditaments that are being used for the sale of food and/or drink to visiting members of the public:**
 - Restaurants
 - Takeaways
 - Sandwich shops
 - Coffee shops
 - Pubs
 - Bars

- **Hereditaments which are being used as cinemas**
- **Hereditaments that are being used as live music venues:**
 - live music venues are hereditaments wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Hereditaments cannot be considered a live music venue for the purpose of business rates relief where a venue is wholly or mainly used as a nightclub or a theatre, for the purposes of the Town and Country planning (Use Classes) Order 1987 (as amended).
 - hereditaments can be a live music venue even if used for other activities, but only if those other activities (i) are merely ancillary or incidental to the performance of live music (e.g. the sale/supply of alcohol to audience members) or (ii) do not affect the fact that the primary activity for the premises is the performance of live music (e.g. because those other activities are insufficiently regular or frequent, such as a polling station or a fortnightly community event).
 - There may be circumstances in which it is difficult to tell whether an activity is a performance of live music or, instead, the playing of recorded music. Although we would expect this to be clear in most circumstances, guidance on this may be found in Chapter 16 of the statutory guidance issued in April 2018 under Section 182 of the Licensing Act 2003.

b) For assembly and leisure:

- **Hereditaments that are being used for the provision of sport, leisure and facilities to visiting members of the public (including for the viewing of such activities):**
 - Sports grounds and clubs
 - Museums and art galleries
 - Nightclubs
 - Sport and leisure facilities
 - Stately homes and historic houses
 - Theatres
 - Tourist attractions
 - Gyms
 - Wellness centres, spas, massage parlours
 - Casinos, gambling clubs and bingo halls
- **Hereditaments that are being used for the assembly of visiting members of the public:**
 - Public halls
 - Clubhouses, clubs and institutions

c) Hotels, guest & boarding premises and self-catering accommodation:

- **Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business:**
 - Hotels, Guest and Boarding Houses
 - Holiday Homes
 - Caravan parks and sites

This guidance is not exhaustive and it is for Authorities to determine whether particular properties not listed in the guidance notes are broadly similar in nature and if so, to consider them for relief. Conversely, properties that are not broadly similar in nature to those listed should not be eligible for the discount.

Ratepayers that occupy more than one property will be entitled to a discount for each of their eligible properties.

6.3 Exclusions

The Government does not consider the following types of use to be retail use for the purposes of this discount:

- **Hereditaments that are being used for the provision of the following services to visiting members of the public:**
 - Financial services (eg: banks, building societies, cash points, bureaux de change, short term loan providers, betting shops)
 - Medical services (eg: vets, dentists, doctors, osteopaths, chiropractors)
 - Professional services (eg: solicitors, accountants, insurance agents/financial advisors, employment agencies, estate agents, letting agents)
 - Post office sorting offices
- **Hereditaments that are not reasonably accessible to visiting members of the public**

6.4 Claiming Retail, Hospitality and Leisure Relief

New applicants are required to complete an online application form available at:

<http://www.coventry.gov.uk/businessrates>.

6.5 Maximum Award

The total amount of Government funded discount available for each property under this scheme for financial years 2023/24 and 2024/25 is 75% of the bill after all mandatory and discretionary reliefs have been applied but before discretionary reliefs granted under Section 47 of the Local Government Finance Act, for example Hardship Relief and Discretionary rate relief for charity and not for profit organisations.

The maximum discount awarded will not exceed the net liability.

6.6 Notification

Where the application is successful, a revised bill will be issued. Where the application is not successful, the notification will provide full reasons for the decision and confirm the applicant's right to request a review of the decision.

6.7 Requirement to make payment of amounts falling due

Ratepayers' must continue to pay any amount of business rate that fall due pending the outcome of an application. The Council may apply its normal recovery procedures in cases where payments are not received.

7. Heat Network Relief

General Principles

In its final report of the Business Rates Review published in October 2021, the Government announced a 100% relief for eligible low-carbon heat networks that have their own rating assessment from 1 April 2023. The relief is intended to be for those networks generating from a low carbon source to ensure the policy supports decarbonization.

Subject to the passing of legislation, this relief will be delivered in 2023/24 using existing local government discretionary powers. From financial year 2024/25 the relief is mandatory.

Heat networks take heat of cooling from a central source(s) and deliver it to a variety of different customers such as public buildings, shops, offices, hospitals, universities and homes. By supplying multiple buildings, they avoid the need for individual boilers or electric heaters in every building. Heat networks have the potential to reduce bills, support local regeneration and be a cost-effective way of reducing carbon emissions from heating. Heat networks play an important role in decarbonizing heat and support delivery of net zero commitments. They are uniquely able to unlock otherwise inaccessible large-scale renewable and recovered heat sources such as waste heat and heat from rivers and mines.

7.1 Key Criteria

In order to be eligible the Property must be:

- Wholly or mainly used for the purposes of a heat network, and
- The heat is over the next 12 months expected to be generated from a low carbon source (irrespective of whether that source is located on the Property or on a different Property).
- Subject Subsidy Control limits

7.2 Claiming Heat Network Relief

There is no application form. Applicants should apply for the relief in writing to the Business Rates Team confirming they satisfy each of the eligibility criteria.

7.3 Maximum Award

The total amount of Government funded relief available for each eligible Property under this scheme is 100% of the net bill in financial year 2023/24. The relief is applied after mandatory reliefs have been applied but before any other discretionary reliefs have been applied.

7.4 Notification

Where the application is successful, a revised bill will be issued. Where the application is not successful, the notification will provide full reasons for the decision and confirm the applicant's rights to request a review of the decision.

7.5 Requirement to make payment of amounts falling due

Ratepayer's must continue to pay any amount of business rate that falls due pending the outcome of an application. The Council may apply its normal recovery procedures in cases where payments are not received.

8. Reviews and Appeals (all reliefs)

All decisions will normally be final except as set out in this paragraph. An applicant may make a request for a review of a decision but only where either;

- Additional information that is relevant to the application and that was not available at the time the decision was made becomes available, or
- There are good grounds to believe the application or supporting information was not interpreted correctly at the time the decision was taken.

A request for a review must be made in writing within four weeks of receipt of the notification of the decision and must set out the reasons for the request and any supporting information.

Section 44A Part Occupied Relief and Section 47 Reliefs - Local Government Finance Act 1988

The decision to award or otherwise will be made by the Business Rates Team following set guidelines and overseen by the Council Tax and Business Rates Manager. A review will be conducted by the Head of Service.

Section 49 Hardship Relief – Local Government Finance Act 1988

The decision to award or otherwise will be made by the Council Tax and Business Rates Manager with approval by the Head of Service. A review will be conducted by the Head of Service in conjunction with the Section 151 Officer.

Section 69 Localism Act 2011

Decisions to award or otherwise will be made by the Head of Service, Section 151 Officer or appropriate Cabinet Member depending on the amount of the relief.

Having followed the appropriate route of review/appeal, a decision to refuse relief can only be challenged by way of Judicial Review under Section 138 Local Government Finance Act 1988.

9. Payments

All awards of relief or discount will be credited against the applicant's business rates account to reduce the amount payable.