

Business Rates Discretionary Relief Policy - 2023-2026

1.1 Introduction

The purpose of this policy is to set out the Council's policy for dealing with applications for discretionary rate relief under the Local Government Finance Act 1988 and relief that can be awarded to any business under the Localism Act 2011.

1.2 The decision for implementation of reliefs is pursuant to Section 47 of The Local Government Finance Act 1988 (The Act) where:

- Awards are subject to government guidance
- It is at the discretion of the Chief Finance Officer (CFO) with consideration of loss of revenue to the Council.

2.1 Charitable Relief

All registered charities or Community Amateur Sports Clubs, using a business property for charitable purposes, are entitled to receive mandatory relief of 80%. Any addition above this mandatory relief will be considered by the CFO on receipt of an application for a discretionary award.

2.2 Charitable Discretionary Relief Applications

All applications for discretionary charitable relief will at least be considered in accordance with the criteria set out below.

Criteria	Guideline Considerations
Alignment to the Council's Priorities and Community Strategy	The organisation will need to demonstrate how its use of business property contributes to the Council's priorities and the Council's Community Strategy.

<p>Membership (where applicable).</p>	<p>The factors considered will include; are the members / users Ealing residents, in respect of sports clubs what is the percentage of youth and non-youth membership and is there a broad appeal to join, what are the membership criteria and does the levy of the fees unnecessarily restrict membership, are there any other restrictions on membership, is membership open to all?</p> <p>Relief will not usually be given to bodies that operate a unnecessary restrictive membership policy unless those restrictions are necessary because of the size of the property occupied.</p> <p>Consideration will be given as to whether the presence of a club or organisation directly benefits the residents of Ealing.</p>
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Criteria	Guideline Considerations
<p>Local charities</p>	<p>Favourable consideration will be given to organisations providing services exclusively for Ealing residents. It is unlikely that the Council will support a national charity head office, for example. However, where a national charity has a branch in Ealing that provides services exclusively for Ealing residents this may be considered.</p>
<p>Finances</p>	<p>The Council will consider the financial position of the organisation. The factors considered will include details of the organisation's expenditure and income, assets, the amount of discretionary relief under consideration compared with the organisation's financial position, and whether the award of relief demonstrates value for money.</p> <p>Consideration will be made and details needed of any action taken by the organisation to limit their need for financial support from Ealing Council, for example by self-help or applications for grant/subsidy aid.</p>
<p>Does the body have an actively trading function, for example, a shop or bar?</p>	<p>The mere existence of a bar or retail outlet will not in itself be a reason for not granting relief, but the main purpose of the organisation will be examined and its ability to trade will be a consideration in determining any award granted.</p>

Council Grants	<p>The decision whether to award discretionary charity relief in respect of occupation of business rates properties is separate from grant determinations. However, Ealing may have regard to grant decisions when making discretionary rate relief decisions.</p>
Limitations on Council Finances	<p>The CFO must consider that a relief award will be a loss of revenue to the council.</p> <p>The legislation requires that any discretionary awards can be justified to Council Tax payers because loss of income to the council may lead to a potential increase in Council Tax bills. The following is quoted from Section 47 of The Act:</p> <p><i>the billing authority may make the decision only if it is satisfied that it would be reasonable for it to do so, having regard to the interests of persons liable to pay council tax set by it</i></p> <p>The Council will consider whether it is reasonable to award relief in light of the Council's budget position.</p> <p>Reductions for relief may be phased in over a number of years as may also a phasing out of any relief awards.</p> <p>.</p>

2.3 Discretionary Charity - Period of Relief

Unless specifically stated at the time of the award of relief, discretionary relief awards may continue from year to year at the same percentage rate. From 1 April 2024 a discretionary relief can be ended from any date within a financial year without prior notice.

Some awards of relief will be a specific sum of money (credited to the Business Rates account) or will be for a specific period of time – such awards of relief will not require or be given additional notice of the termination of the relief at the end date of the relief period.

2.4 Discretionary Charity - Decisions on relief

Decisions on Discretionary Charity relief will be made by the CFO further to sufficient evidence supplied by the applicant.

3.1 Business Rates Relief under the Localism Act 2011

Applications for discretionary relief under the Localism Act 2011 will be considered in accordance with the criteria set out below.

Criteria	Guideline Considerations
Individual applications	Before considering individual applications, The Council will need to be satisfied whether relief should be considered under any other discretionary powers such as charitable or on the grounds of hardship. Business Rates are usual expenses for businesses, and the individual business will need to demonstrate the special or exceptional reasons why the Council Tax payers may be funding a usual business expense.
Relief for more than one business	There may be circumstances where it is suggested granting relief may be for a number of businesses, for exceptional or special reasons, or in unexpected circumstances, such as for example as a natural disaster, or flooding, or damage caused by public disturbances. Additionally there may be initiatives suggested whereby businesses in a particular part of the borough should be supported with relief in full or in part.
Alignment to the Council's Priorities and Community Strategy	Before considering relief, an individual, or group of businesses, may normally need to demonstrate how granting relief will contribute to the Council's priorities and the Council's Community Strategy. (This may will be unnecessary In the event of disaster situations)
Local businesses and state subsidy	Consideration will be given as to whether the organisation is a local, or national / international organisation, and any state subsidy control rules that would limit granting relief
Finances	The Council will normally consider the financial position of the organisation. The factors considered will include details of the organisation's expenditure and income, assets, business model, the amount of discretionary relief under consideration compared with the organisations financial position, and whether the award of relief demonstrates value for money.

	Consideration will be made to details of any action taken by the organisation to limit their need for financial support from Ealing Council, for example by self-help or applications for grants or subsidy.
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Limitations on Council Finances	The Council will consider whether it is reasonable to award relief in light of the Council's budget position.
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3.2 Discretionary Relief under the Localism Act 2011 - Decisions on relief

Discretionary relief will be initially considered by the Council Director who is covering Local Taxation, to ensure an appropriate case has been submitted. Since the powers under the Localism Act are very wide ranging, before considering relief it may be necessary or appropriate in exceptional circumstances to seek approval not only of the CFO but also the Portfolio Holder for Finance and Performance, and/or the Cabinet, and/or the full Council. A wider approval is usually required when there has been a borough wide or local area concern such as a natural disaster, or flooding, or damage caused by public disturbances.

4. Appeals

Any appeal against a decision made under this policy must be in writing and reach the Council within 28 days of an organisation receiving notification of an award decision. The Council will acknowledge the appeal within 10 working days of receipt of the appeal. The appeal will be considered by the CFO who will inform the applicant of the final decision as soon as practicable thereafter.

5. Awards subject to Government Guidance

Awards under Section 47 are made when Central Government has issued guidance stating specific criteria to make a reduction for example Retail Discount under the Retail, Hospitality and Leisure scheme. From 1 April 2024 a discretionary relief can be ended from any date within a financial year without prior notice.

6. General and Legislation

The Council will consider each case in accordance with the criteria set out above. These criteria are not restrictive and nothing in them shall be taken as restricting the Council's ability to depart from its general policy as to the granting of relief if it sees fit to do so bearing in mind the facts of each case.

Legislation

Section 47

[Local Government Finance Act 1988 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

Localism Act

[Localism Act 2011 \(legislation.gov.uk\)](#)

CFO and Proper Financial Administration

[Local Government Act 1972 \(legislation.gov.uk\)](#)