

Ealing Council's Business Rates Discretionary Relief Policy

Effective January 2025



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1. Introduction

The purpose of this document is to set out the council's policy for applications received for discretionary rate relief. This policy outlines the criteria and procedures for granting discretionary relief on business rates to eligible businesses and charities within the borough.

Ealing Council recognises the importance of supporting local businesses and charities to foster economic growth and sustainability within the community. As part of our commitment to aiding businesses and charities, we have implemented a discretionary relief policy pursuant to Section 47 of the Local Government Finance Act 1988 (**The Act**) and the Localism Act of 2011.

2. Responsibility of the council and the applicant

The legislation requires that any discretionary awards are to be justified to Council Tax payers because the loss of income to the council may lead to potential increases in Council Tax bills. The following is quoted from Section 47 of The Act:

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

The applicant will need to demonstrate the special or exceptional reasons as to why the Council Tax payers may be funding a usual expense.

In some circumstances consideration for relief may be made 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.

The council will consider whether it is reasonable to make an award in view of the council's budget position. Ultimately it will be by decision of the Chief Finance Officer (CFO).

All decisions will be subject to audit review.

3. Discretionary relief applications from businesses

Eligibility criteria

To be considered for discretionary relief under Section 47, businesses usually have to meet the following criteria:

- the business must operate within the borough of Ealing
- the business primarily benefits the local community or economy
- the business must demonstrate financial need and the inability to meet business rates obligations without relief
- the business must not be in receipt of other forms of rate relief that would duplicate the benefit of this policy

Assessment process

Applications for discretionary relief will be assessed based on the following factors:

- contribution to the Local Economy: The extent to which the business supports local employment, provides essential services, or contributes to the economic diversity of the borough
- community benefit: The degree to which the business enhances the quality of life for residents, supports community initiatives, or offers services to vulnerable groups
- financial need: an evaluation is necessary of the business's financial statements and cash flow to determine the necessity of relief in maintaining operations
- sustainability: the potential for the business to sustain itself and grow if discretionary relief is granted
- strategic alignment: consistency with the council's strategic objectives and economic development plans whether there are any separate grant determinations or subsidy control limits

Application process

Businesses seeking discretionary relief must submit a written application along with the following supporting documents:

- latest financial statements, including profit and loss accounts and balance sheets
- cash flow projections for the next 12 months and the current business model
- a statement outlining the business's contribution to the local economy and community
- any other relevant documents that support the application

Applications will be reviewed by the Business Rates Manager and Assistant Director.

Revenues and payments

The application case will be based on the assessment criteria, and the final decision will be made by the council's chief finance officer.

Relief award

The amount of discretionary relief awarded will be determined on a case-by-case basis, considering the business's financial need and the extent of its contribution to the community and economy.

Relief may be granted for a period of up to 12 months, with the possibility of renewal upon re-application.

The relief can be removed at any time if the award can no longer be justified.

Monitoring and review

Businesses that receive discretionary relief will be required to provide periodic updates on their financial status and contributions to the community. The council reserves the right to withdraw relief if the business no longer meets the eligibility criteria or if there is evidence of misuse of funds.

4. Discretionary relief applications from charities and sports clubs

All registered charities or community amateur sports clubs, using a business property for charitable purposes, are usually entitled to receive mandatory relief of 80%, pursuant to qualification under legislation. Any addition above this mandatory relief will be considered by the CFO on receipt of an application for a discretionary award.

In circumstances where mandatory relief cannot be applied, Section 47 discretionary relief will likely not be considered as a direct replacement for a mandatory relief, when that mandatory relief has been ended, or where mandatory relief has been removed due to change in legislation.

Eligibility criteria

To be considered for discretionary relief under Section 47, charities or sports clubs usually must meet the following criteria:

- the charity or sports club must operate within the borough of Ealing
- the charity or sports club primarily benefits the local community or economy
- the charity or sports club must demonstrate financial need and the inability to meet business rates obligations without relief
- the charity or sports club must not be in receipt of other forms of rate relief that would duplicate the benefit of this policy
- the charity or sports clubs must demonstrate there is a broad appeal to join, without unnecessary restrictive membership

Assessment process

Applications for discretionary relief from a charity/sports club will be assessed based on the following factors:

- the organisation will need to demonstrate how its use of their business property contributes to the council's priorities and the council's Community Strategy
- the percentage of youth and non-youth membership, and also is there a broad appeal to join, the membership criteria and also does the levy of the fees unnecessarily restrict membership
- the main purpose of the organisation
- community benefit: the degree to which the organisation enhances the quality of life for residents, supports community initiatives, or offers services to vulnerable groups
- financial need: an evaluation is necessary of the organisation's financial statements and cash flow to determine the necessity of relief in maintaining operations
- sustainability: the potential for the organisation to sustain itself and grow if discretionary relief is granted

- strategic alignment: consistency with the council's strategic objectives and economic development plans
- whether there are any separate grant determinations or related subsidy control limits

Application process

Charities or sports clubs seeking discretionary relief must submit a written application along with the following supporting documents:

- latest financial statements, including profit and loss accounts and balance sheets
- cash flow projections for the next 12 months and the current business model
- a statement outlining the organisation's contribution to the local economy and community
- any other relevant documents that support the application

Applications will be reviewed by the Business Rates Manager and Assistant Director –

Revenues and payments

The application case decision will be based on the assessment criteria, and the final decision will be made by the council's Chief Finance Officer (CFO).

Relief award

The amount of discretionary relief awarded will be determined on a case-by-case basis, considering the organisation's financial need and the extent of its contribution to the community and economy. Relief may be granted for a period of up to 12 months, with the possibility of renewal upon re-application.

The relief can be removed at any time if the award can no longer be justified.

Monitoring and review

Organisations that receive discretionary relief will be required to provide periodic updates on their financial status and contributions to the community. The council reserves the right to withdraw relief if the organisation no longer meets the eligibility criteria or if there is evidence of misuse of funds.

5. Appeals and legislation

Any appeal against a decision made under this policy must be in writing and reach the council within 28 days of receiving notification of an award decision. The appeal will be considered by the Chief Finance Officer who will inform the applicant of the appeal decision as soon as is practicable.

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 \(legislation.gov.uk\)](#)

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

Chief Finance Officer and Proper Financial Administration:
[Local Government Act 1972 \(legislation.gov.uk\)](#)

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