

Broxbourne Borough Council
Policy and Procedures for Award of Non Domestic Rural Rate Relief

1.0 Legislative Background

Schedule 1 of the Local Government and Rating Act 1997 provides for the amendment of the Local Government Finance Act 1988 (LGFA 1988) by which the Secretary of State can make special relief available to defined village shops and post offices. This consists of mandatory relief of 50% and additional discretionary relief of up to 50% for qualifying stores and post offices in designated rural areas. This relief has subsequently been extended to food shops, public houses and petrol filling stations. The Rating (Former Agricultural Premises and Rural Shops) Act 2001 provides for the extension of the village store relief to food shops. Regulations also allow award of up to 100% relief to any rural business, provided certain conditions are met.

The Council is required under the LGFA 1988 section 42A to compile a Rural Settlement List which includes all rural settlements wholly or partially within the borough which are within a rural area designated by the Secretary of State and have a population which appears to be of less than 3,000 people. The list will identify the boundaries of each settlement or the boundaries relating to the part of the settlement within the borough and the population of each area.

2.0 Policy

2.1 Rural Settlement List

In accordance with the LGFA 1988 section 42B the Council prepares a draft list of rural settlements and throughout the 3 month period preceding the beginning of the first chargeable year (i.e. 1st January to 31st March) makes the list available for public inspection. The Council will review the list annually, in sufficient time to produce a draft list including changes, to be available for the same 3 month inspection period each year.

2.2 Award of mandatory relief

Under the LGFA 1988 section 43, the Council will award mandatory relief of 50% from occupied rates to a hereditament where:

- The hereditament is within a designated rural settlement included on the Council's list for the appropriate chargeable year;
- The rural settlement appears to have a population of under 3,000;
- The rateable value (RV) of the hereditament is within the limits set out within the legislation for the type of business. As at 31st December 2008 the maximum rateable values are £7,000 for a general store or food shop and £10,500 for a public house.
- The whole or part of the hereditament is a general store (retailing food for human consumption excluding confectionery and general household goods), a post office, public house or petrol filling station, providing they are the only such business within the area;
- The whole or part of the hereditament is a food shop retailing food for human consumption (excluding confectionery and the supply of food in the

course of catering i.e. a restaurant or take-away). There may be any number of food stores within a rural settlement.

These are the broad headings which describe eligible hereditaments and are listed as a guide. The full list of conditions contained in the legislation will be referred to before mandatory relief will be awarded.

2.3 Award of discretionary top-up relief

Under the LGFA 1988 section 47, discretionary relief of up to 50% from occupied rates may be afforded to a hereditament which is eligible for mandatory rate relief, provided that:

- The hereditament is within a qualifying rural settlement;
- The rateable value (RV) of the hereditament is within the limits set out within the legislation for the type of business. As at 31st December 2008 the maximum rateable value for award of discretionary rate relief is £14,000;
- The business is used for purposes that are of benefit to the local community; and
- It is reasonable for the Council to award the relief, having regard to the interests of persons liable to pay council tax set by it.

In making its decision, the Council will balance the interests of the ratepayer making the application with the needs of the individual rural community and the needs of its general taxpayers. Where the granting of relief would have an adverse effect on the financial interests of taxpayers, the case for a reduction or remission of rates payable may still, on balance, outweigh the cost to taxpayers. Consideration of the 'interests' of council taxpayers will take into account the following factors:

- whether, in the absence of the business, the amenities of the area would be reduced;
- whether the direct financial interests and employment prospects of the community would be affected.

The Council will not adopt a blanket policy, either to give or withhold discretionary rural rate relief; each case will be considered on its own merits, taking into account the factors set out above.

2.4 Award of discretionary relief alone

Under the LGFA 1988 section 47, discretionary relief of up to 100% from occupied rates may be afforded to any rural business, provided that:

- The hereditament is within a qualifying rural settlement;
- The rateable value (RV) of the hereditament is within the limits set out within the legislation for the type of business. As at 31st December 2008 the maximum rateable value for award of discretionary rate relief is £14,000;
- The business is used for purposes that are of benefit to the local community; and

- It is reasonable for the Council to award the relief, having regard to the interests of persons liable to pay council tax set by it.

In making its decision, the Council will balance the interests of the ratepayer making the application with the needs of the individual rural community and the needs of its general taxpayers. Where the granting of relief would have an adverse effect on the financial interests of taxpayers, the case for a reduction or remission of rates payable may still, on balance, outweigh the cost to taxpayers. Consideration of the 'interests' of council taxpayers will take into account the following factors:

- whether, in the absence of the business, the amenities of the area would be reduced;
- whether the direct financial interests and employment prospects of the community would be affected.

The Council will not adopt a blanket policy, either to give or withhold discretionary rural rate relief; each case will be considered on its own merits, taking into account the factors set out above.

3.0 Financial Implications

The implications for the Council of granting relief are set out below:

Type of Rural Rate Relief	Maximum Relief	Cost to the NDR Pool	Cost to the General Fund
Mandatory	50%	100%	0%
Discretionary 'top-up'	50%	25%	75%
Discretionary	100%	75%	25%

The Council must take into account the financial interests of its council tax payers, as a percentage of any discretionary relief granted is funded by local council tax payers.

4.0 Appeals

There is no appeal against a decision to refuse discretionary relief. A ratepayer may however challenge the decision by judicial review if the decision has not been made in accordance with the law.

5.0 Procedures

5.1 Ratepayers wishing to apply for rural rate relief should submit a written application to the Council (using the application form to be found at Appendix A) which will include the following information and supporting documentation:

- Location of the hereditament;
- Reason for the application;
- Details of the business and other business within the rural settlement;

- Audited financial statements;
- Numbers of direct employees and those employed in another capacity who would be affected should the relief not be awarded;
- List of benefits and services the business provides to the local community.

5.2 Mandatory relief will be awarded on an ongoing basis, and ratepayers will not be required to submit a new application in respect of each financial year. However it is the responsibility of the ratepayer to notify the Council of any change in the circumstances on which the application was originally based. Discretionary relief will be considered in respect of each financial year and ratepayers will be required to submit an application each year. Award of discretionary relief in one year does not necessarily mean that relief will be awarded in a subsequent year. The Council will from time to time review relief awarded and request up to date information including financial documents as part of this review. The relief awarded will be withdrawn if this information is not supplied within 28 days of the request being made.

5.3 The Council may backdate the award of mandatory relief to a previous financial year, should it subsequently transpire that it has not been correctly applied in the past. In accordance with regulations, discretionary relief may not be awarded in respect of previous financial years.

5.4 Applications for rural rate relief will be decided by the Director of Resources in conjunction with the Chairman of the Finance and Personnel Committee, based on the information supplied by the Head of Revenues and Exchequer, using the pro-forma at Appendix B.

5.5 All applications will be dealt with promptly and the Council will refer back to the applicant, should the information provided be incomplete or unclear.

5.6 Any and all decisions to award or not to award relief will be administered by the Head of Revenues and Exchequer.

Appendix A

Application for Rural Rate Relief

Mandatory and/or Discretionary (please tick appropriate box)

Mandatory relief only		Top- up Discretionary relief		Discretionary relief only	
Name of Liable Party					
Non Domestic Rate Account no.					
Address of property to which the application refers					
Contact address if different from above					
Date of occupation					

1. Please give full details business carried out at the property?	
2. Please give the location of the nearest alternative business where local residence could source the goods or service you supply?	
3. Does your business provide employment for local residents and any people employed in another capacity who would be affected should the relief not be awarded? Please state how many people?	
4. Please give details of the ways your business benefits the local community?	

Please attach audited accounts for the last financial year and any other documents you feel will help to support your application.

Declaration

I certify that:

- (a) to the best of my knowledge the information contained in this application is correct
- (b) I will inform the Council of any change in use, occupation or other circumstances relating to this application

Signed:

Designation:

Date:

Appendix B

Rural Rate Relief

Name of Business	
Account reference	

Property Address	Correspondence Address

Nature of Business	
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Description in Rating List		RV	
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	Period	£
Non Domestic Rate		
Transition		
Small Business Rate Relief		
Balance payable		

Period of Relief requested	
Type of relief requested	

Total Relief	£
Cost to NNDR Pool	£
Cost to General Fund	£

Attachments	
Written submission	
Qualifying rural settlement	
Other items	

Report from Head of Revenues and Exchequer	
Signed	Date

Decision of Director of Resources	
Signed	Date

Signed	Date
Chairman of the Finance and Personnel Committee	

Account updated	Signed	Date
Northgate		
Comino		
Ratepayer notified		

