

# **Hardship Discretionary Rate Relief Policy**

## **1. Purpose & Criteria of Policy**

This policy has been agreed by the Council to ensure all ratepayers making applications for this relief are treated in a fair, consistent and equal manner.

This policy;

1. Sets guidelines for the factors that should be considered when making a decision to award or refuse relief
2. Establishes a framework to ensure applications are dealt with in an efficient manner
3. Sets out the delegated authority to award relief in appropriate circumstances
4. Establishes an appeals procedure for organisations that are dissatisfied with the Council decision.
5. Seeks to safeguard the interest of local taxpayers by ensuring that funds allocated for the award of Hardship rate relief are used in the most effective and economic way.

The aims of the hardship rate relief policy are:

- To support genuine businesses suffering financial hardship;
- To promote access to relevant business support agencies;
- To provide assistance, where possible, to new businesses via our partnership with Economic Development.

The following criteria is to be used to assess whether an application for hardship rate relief is applicable to a small business:

- *A refusal to grant relief will worsen employment in the area. (For example, where a business employs local residents)*
- *If the amenities of an area may be reduced (e.g., loss of a unique business or perhaps a business serving a need in the community).*
- *If the closure of the business would have an adverse direct or indirect financial impact on the local authority.*
- *Applicants will receive up to 100% support if they live and trade in Harrow*
- *Applicants must first apply for all available reliefs subject to Hardship being considered*
- *Applicants should not have more than one trading outlet in Harrow and the hereditament must not be empty*
- *Businesses must be trading from the property from which a discount is sought. (Businesses providing parking spaces, advertising spaces, storage spaces would therefore not be eligible for a discount.)*
- *Revenues Officer to email the application to Economic Development using [EDO@Harrow.gov.uk](mailto:EDO@Harrow.gov.uk) who will then ensure the business plan is quality checked by UKSPF.*

- *Applicants will have a current business plan approved by either, their bank, or an approved business support agency*
- *The rateable value of a property should be no more than £25,000.*
- *Properties with a rateable value of less than £15,000 may receive maximum support of £2,500 in any one year.*
- *Properties with a rateable value greater than £15,000 and up to £25,000, may receive maximum support of £5,000 in any one year.*

## **2. Process**

Businesses currently paying rates should complete an application form available at [www.harrow.gov.uk/bratesreliefs](http://www.harrow.gov.uk/bratesreliefs) and return it with a copy of:

- Short summary of the financial difficulties faced including confirmation of any lines of credit already sought [e.g., bank loan, overdraft etc.)
- Their most recent accounts.

## **3. The purpose of the Hardship Rate Relief scheme**

The scheme's principle aim is to award relief towards non-domestic rates payable by small and medium enterprises. The award of a grant will enable these businesses to survive and ultimately contribute towards Harrow's economy.

The award of relief is as per the scheme's criteria and rules.

## **4. Award Arrangements**

An application form is available and will need to be completed by all claimants.

The Revenues Service Manager and the Revenues Team Leaders review the applications with a recommendation on the appropriate levels of relief to the Head of Service - Revenues, for approval. Currently these powers are exercised as part of the delegation to the Divisional Director/Head of Service as follows:

“authorised to exercise the powers of the Council in the collection of National Non-Domestic Rates and Council Tax as set out in the scheme of delegation.”

### **4.a Business Support**

The Economic Development Officer will refer the applicant's business plan to UKSFP who will then undertake a quality check. Once a business plan approved by either, their bank, or an approved business support agency is in place and all other eligibility criteria is met, funding can be administered.

## **5. Property Eligible for Hardship Rate Relief.**

### General Principles:

Property, all or part of which is occupied for the purpose of commercial trading, will be eligible as set out as per the policy above.

## **6. Determination of Eligibility**

As per criteria within the policy.

## **7. Recalculations of Relief**

The amount of Hardship Relief shall be recalculated in the event of a change of circumstances. This could, for example, include a retrospective change to the rateable value of the hereditament and could arise during the year in question, or a subsequent year.

Regulation 16 of The Non-Domestic Rating (Consequential and Other Amendments etc.) (England) Regulations 2023 (SI 1251 of 2023) revoked the Non-Domestic Rating (Discretionary Relief) Regulations 1989 (SI 1050 of 1989).

This means that from 1<sup>st</sup> April 2024, the approach to be applied in determining applications for discretionary rate relief, shall be a matter for each Local Authority to consider.

In the case of London Borough of Harrow making a determination to vary or revoke its scheme, it shall give at least 1 year's prior notice. To comply with that requirement, the authority will, each year, issue a formal notice notifying the applicant of the period and amount of the award. This will be by way of a Business Rate Bill and the relief period will be shown on the front of the notice and further explained on the reverse.

## **8. Period of Rate Relief**

From 1<sup>st</sup> April 2024, statutory provisions regulating, in particular, the award and period for which discretionary rate relief shall be considered, are revoked and all such matters shall instead be subject to local authority policy and determination. Details of each Discretionary Rate Relief type and policy are available on our webpages at [www.harrow.gov.uk/brates](http://www.harrow.gov.uk/brates)

As a general rule, Discretionary Rate Relief applications will be considered for the preceding financial year (i.e., 1<sup>st</sup> April to 31<sup>st</sup> March), if an application is determined on or before the 30<sup>th</sup> of September of the following year. For example, a discretionary relief application determined on 30<sup>th</sup> September 2024, may be awarded from 1<sup>st</sup> April 2023.

To clarify, however, a blanket policy shall not apply to the scheme, with each case being considered on its own merits. For example, where a new Business Rates liability is created retrospectively due to a single property being converted into two units, resulting in a new ratepayer being responsible for the Business Rates for one of the units, if an application is received within a reasonable time frame of the initial Business Rates bill being issued to the new party, a retrospective award from the effective date of the Business Rates liability may be considered, providing there is evidence of entitlement to the relevant discretionary rate relief.

For transparency purposes, the Hardship Rate Relief scheme is conditional upon continued eligibility.

## **9. Right of Appeal**

There is no statutory right of appeal against a decision regarding Hardship Rate Relief made by the Council. However, the Council recognises that ratepayers should be entitled to have a decision reviewed objectively if they are dissatisfied with the outcome.

The Council agrees to abide by the following appeals process and aggrieved ratepayers should make an appeal in accordance with the process.

Ratepayers will be notified of the appeals process in writing at the time that they are notified of the outcome of their request for rates relief.

This appeals process does not affect a ratepayer's legal rights.

## **10. Appeals Process**

Appeals may only be made by the original applicant. An appellant may appoint an agent act on their behalf and in such cases the Council will require written authorisation from the appellant before dealing with their agent.

Appeals against decisions made by the Service Manager - Revenues will be considered by the Divisional Director/Head of Service.

Appeals against decisions made by the Divisional Director, either in respect of an initial application or of an appeal, will be considered by the Portfolio Holder.

Decisions on appeals made by the Portfolio Holder will be final.

Applicants must make an appeal within four weeks of the issue of the notice informing them of the Council's decision. Appeals must be made in writing and must give the reasons why it is believed the decision should be reviewed. New or additional information may be included, but only if it is relevant to the decision-making process.

Each application will be considered individually on its merit.

Submitting an appeal does not affect the appellant's legal rights to challenge a decision made by the Council through the Judicial Review process.

## **11. Notification of Awards**

The Council will consider applications within six weeks of the application or as soon as reasonably practicable thereafter.

Notification of the outcome of the decision will be made in writing within fourteen days of the decision being considered.

## **12. Action To Recover Unpaid Rates Whilst A Decision Is Pending**

The making of an application for relief does not give the applicant the right to stop making payments as previously demanded. The local authority will retain the right to continue with recovery action pending the assessment of eligibility and regarding any balance outstanding if after relief allocation, balances remain unpaid.

***Reviewed January 2024 to incorporate changes to discretionary rate relief regulations.***