

Business Rates Discretionary Rate Relief and Council Tax Discretionary Discount Policy

1. Introduction

Bury Metropolitan Borough Council is committed to the fair and transparent administration of Discretionary Rate Relief on National Non-Domestic Rates (NNDR) for qualifying organisations operating within the borough and Council Tax Discretionary Discount for council taxpayers.

This policy outlines the principles and criteria guiding the award of Discretionary Rate Relief, in accordance with the Local Government Finance Act 1988 (as amended). While Discretionary Rate Relief is discretionary, this document provides a framework to support consistent decision-making without limiting the Council's ability to exercise discretion.

Discretionary Rate Relief is a financial award by which certain businesses and organisations are granted relief on all or part of the NNDR which they are required to pay, in addition to any statutory relief (known as Mandatory Rate Relief) to which such organisations may be entitled.

This policy also outlines the principles and criteria guiding the award of Council Tax Discretionary Discount, in accordance with Section 13A (1) (c) Local Government Finance Act 1992.

2. Background

In accordance with Section 47 of the Local Government Finance Act 1988 and in addition to any national relief schemes, the council can exercise discretion to provide additional reductions to the amounts of Business Rates due to be paid by ratepayers. The Local Government Act 2003 extended the Council discretion to allow discretionary Council Tax discount to be awarded where the Council sees fit.

The Council directly contributes to the cost of any discretionary relief awarded, therefore decisions must take into account the Council's overall financial position, the interests of the borough's taxpayers, and alignment with the priorities set out in the Council's Corporate Strategy.

Applications for Discretionary Rate Relief will be assessed based on the contribution of each organisation or business to the well-being of Bury's residents and the strength of the local economy. While all applications will be carefully considered, it may not be possible to grant relief to every applicant.

Business Rates Discretionary Rate Relief

3. Mandatory Rate Relief

The Local Government Finance Act 1988 requires the Council to grant Mandatory Rate Relief of 80% of the business rates to the following categories of business rates payers:

- Charities where the property is wholly or mainly used for charitable purposes
- Registered Community Amateur Sports Clubs (CASCs) for any club with the appropriate registration with HMRC.
- Rural relief - if your business is in an eligible rural area with a population below 3,000

4. Discretionary Rate Relief Scheme

The Local Government Finance Act 1988 requires the Council to maintain a Discretionary Rate Relief Scheme, with the option to award Business Rates relief of up to 100% to organisations which operate within specified criteria.

This includes:

- Charitable bodies (who receive 80% Mandatory Rate Relief) – the Council has further discretion to 'top up' this relief to 100% of the rates due
- Registered Community Amateur Sports Clubs (CASCs) (who receive Mandatory Rate Relief) – the Council has further discretion to 'top up' this relief to 100%
- Non-profit making organisations – the Council has discretion to grant 'standard' Discretionary Rate Relief of between 0-100% of the Business Rates due

The Council will consider applications from charitable bodies, CASCs, non-profit making organisations and ratepayers of retail premises under the discretionary scheme.

In determining applications, the Council may grant Discretionary Rate Relief of:

- up to 20% of the rates due from ratepayers in receipt of 80% Mandatory Rate Relief;
- up to a maximum of 100% of the rates due from non-profit making organisations;

The council may also refuse an application for any amount of Discretionary Rate Relief.

Throughout the application process, ratepayers must ensure payments are made as per their most recently issued bill whilst any application for Discretionary Rate Relief is being considered.

4.1. Charitable bodies (charities)

Mandatory Rate Relief of 80% is granted to charities in the following circumstances:

- The ratepayer of a property is a charity or the trustees of a charity, and;
- The property is wholly or mainly used for charitable purposes and objectives (including charity shops, where the goods sold are mainly donated and the proceeds are used for the purpose of the charity).

Registration under the Charities Act 1993 is evidence of an organisation's charitable status.

Bodies which, under the 1993 Act, are excepted from registration or are exempt charities, are also eligible for Mandatory Rate Relief and providing the above criteria is met, 80% Mandatory Rate Relief is applicable.

In cases where a charity is in receipt of Mandatory Rate Relief of 80%, in accordance with this policy the Council has discretion to grant up to a further 20% additional rate relief. This is known as Discretionary Rate Relief top up.

The Council will consider applications for a Discretionary Rate Relief top up on a case-by-case basis, with each application judged on its own merits.

In determining an application for Discretionary Rate Relief, the following matters will be taken into consideration:

- How the charity supports and links into the council's Corporate Strategy;
- The purpose of the charity and the specific activity carried out within the building for which the relief is requested; and
- Whether the charity operates at a local or national level. Where relevant, the availability and use of local and national funding streams, as well as the Charity's overall financial position, will be taken into account. This

includes any financial surpluses and how those funds are distributed or utilised.

4.2. Registered Community Amateur Sports Clubs

A Mandatory Rate Relief of 80% is granted to registered Community Amateur Sports Clubs (CASC). To qualify as a CASC, a sports club must fulfil the following criteria:

- Be open to the whole community; and
- Run as an amateur club; and
- Be a non-profit making organisation; and
- Aim to provide facilities for, and encourage people to take part in, eligible sport.

In cases where a CASC is in receipt of Mandatory Rate Relief of 80%, the Council has discretion to grant up to 20% additional rate relief as a discretionary top up.

The Council will consider applications for a Discretionary Rate Relief top up on a case-by-case basis, with each application judged on its own merits.

In determining an application for Discretionary Rate Relief, the following matters will be taken into consideration (list is not exhaustive):

- How the CASC supports and links into the council's Corporate Strategy;
- The membership and fee structure and whether the CASC is accessible to all residents, including whether there are concessions for certain groups, for example people on a low income or young people under 18;
- Membership numbers and the number and percentage of these members that are Bury residents;
- If the CASC has due regard to equality issues and if it actively encourages members from under-represented groups, for example ethnic minority residents, people over 50 and people with disabilities;
- Whether facilities are available to the wider community regardless of ability.

Applicants will be required to provide additional financial information to support their application. This information will form part of the council's assessment process and may include, but is not limited to, the following:

- If the CASC runs a bar or food provision, the level of income from this activity and how this money is used; and

- whether the CASC operates at a local or national level. Where relevant, the availability and use of local and national funding streams, as well as the CASC's overall financial position, will be taken into account. This includes any financial surpluses and how those funds are distributed or utilised.

4.3. Non-profit making organisations (other than charities, CASCs or other sports and leisure clubs) and Community Interest Companies (CIC)

The Council has the power to grant Discretionary Rate Relief of up to 100% of the rates due to other non-profit making organisations. Discretionary Rate Relief can be awarded to properties used by non-profit making organisations for recreational, charitable, philanthropic, or religious purposes or in connection with education, social welfare, science, literature, or the fine arts.

Community Interest Companies (registered with the Office of the Regulator of Community Interest Companies) can apply for Discretionary Rate Relief which can be paid at any rate up to 100%.

In determining an application for Discretionary Rate Relief, the following matters will be taken into consideration (list is not exhaustive):

- How the organisation supports and links into the council's Corporate Strategy.;
- Whether the facilities provided include education and/or training for members as a whole or for special groups;
- The extent to which the facilities provided reduce the demand for Council services or produce savings;
- Any membership and fee structure and whether the facilities are accessible to all residents, including whether there are concessions for certain groups, for example people on a low income or young people under 18;
- If covered by a membership scheme, membership numbers and the number and percentage of these members that are Bury residents;
- If the organisation has due regard to equality issues and if its facilities are used by all members of the community, for example ethnic minority residents, people over 50 and people with disabilities.
- If the organisation takes on another premises, whether this enhances the charities objectives.

We will also require additional financial information including:

- If the organisation runs a bar or food provision, or receives any other income from other sales, the level of income from this activity and how this money is used; and
- Whether the organisation operates at a local or national level. Where relevant, the availability and use of local and national funding streams, as well as the organisation's overall financial position, will be taken into account. This includes any financial surpluses and how those funds are distributed or utilised.

4.4. Rural Rate Relief

Mandatory Rate Relief applies to a qualifying property which is within a settlement identified in an authority's rural settlement list for the chargeable financial year where its rateable value is not, at the beginning of the year in question more than a relevant prescribed amount. The rateable value limits are as follows:

- For the only village food shop, general store or post office with a rateable value of up to £8,500.
- For the only public house or petrol station with a rateable value of up to £12,500.

In addition, discretionary rate relief may be allowed if:

- The property is in a rural settlement
- The rateable value of the property is £16,500 or less.
- The property is used for purposes which are of benefit to the local community: and
- It is reasonable for the Council to grant relief taking into account the interests of its council taxpayers

4.5. Other National/Local Reliefs

From time to time the government may introduce relief schemes in response to a specific incident (such as flooding) Where such schemes are introduced, the cost of additional relief is normally met by central Government without any impact on local Business Rates income.

Any such schemes that are introduced, in so far as they fall to be administered under Section 47 of The Local Government Finance Act 1988, will be administered in accordance with instructions and guidance set out by Government at that time.

Backdating of any local reliefs from either a new/split or merged hereditament will be considered on each individual merit. However, any relief awarded under these schemes that the customer held previously will continue to be awarded to the relevant financial year and if still applicable.

The Council may refuse an award of Discretionary Rate Relief to any ratepayer where it considers it appropriate not to and/or were doing so would not be considered in line with the Council's Corporate Strategy.

5. Part Occupied Relief

The Council has discretion under Section 44a of the Local Government Finance Act 1988 to allow relief to be provided to a business that is partially occupying a property for a short period of time (no more than 6 months), typically, but not exclusively, as part of a phased move in or phased move out.

The Council will consider each case on its merits and will take into account the following;

- The circumstances leading to the part occupation
- The intention of the ratepayer to fully occupy or vacate the premises
- Evidence that it will be empty only for a short period of time
- The financial implications of granting relief

The amount of relief that can be granted will be determined by the Valuation Office Agency, who will assign a rateable value to the unoccupied element of the property.

Relief will not be granted if an application is received after the property has become fully occupied or fully empty.

6. Discretionary Hardship Relief

The Council can exercise its discretion under Section 49 of The Local Government Finance Act 1988 to provide either partial or full relief from Non-Domestic Rate payments in cases of hardship where it would be considered reasonable to do so.

Hardship must be due to an unforeseen change in economic circumstances causing financial or other difficulties or due to extraordinary external factors causing the failure of a business or preventing premises from being re-let or re-occupied. The main consideration is the effect a loss of a business will have on

local council tax payers, for example, the loss of a major employer or the only provider of an essential service in an area.

As there is no statutory definition of hardship, the Council decides each case on its own merits. When deciding whether to award hardship relief, as well as being confident that the organisation is experiencing hardship, the principle consideration will be that any relief is in the best interests of the council taxpayers, as the Council must bear the cost of any relief granted.

The period for the award to be determined on a case by case basis.

7. Local Business Rate Discount

Section 69 of The Localism Act 2011 amends Section 47 of the Local Government Finance Act 1988 and allows the Council to grant locally determined Business Rate discounts (in addition to the already available Discretionary Rate Reliefs).

This power recognises that the current Business Rates scheme is broadly prescribed by central government and its aim is to provide increased flexibility to local authorities to support organisations, recognising the variations in economic conditions across and within local authority boundaries.

When an application for relief under the Localism Act 2011 is received, assessing whether it is reasonable to award relief in the interests of Council Tax payers can be complex. Each situation may involve different factors, and there is no universal set of criteria that can be applied in every case. For this reason, every application will be reviewed individually and judged on its own merits. Examples of the types of considerations that may be taken into account include:

- Whether awarding the relief is likely to support long-term business growth, encourage investment in the area, and/or create new jobs.
- The length of time the organisation intends to remain operating within the area.
- The financial impact on the Council of granting the relief.
- The history and previous use of the property, for example whether it has been vacant for a significant period or was previously exempt from Business Rates.
- Any potential impact on, or perceived unfairness to, other ratepayers if relief is awarded.
- Whether a clear business case has been provided addressing the relevant considerations listed above.

Council Tax Discretionary Discount (Section 13A)

8. Care Leavers Discount

Since the 1st April 2018 the Council has exercised its discretionary power under Section 13A (1) (c) Local Government Finance Act 1992 to award a partial or full Council Tax Discretionary Discount to care leavers aged 18 to 25 years.

To qualify for this discount, you must:

- be under 25 years of age
- have a Council Tax bill from Bury Council in your name
- have been in care, with any local authority, on or after your 16th birthday
- have been in care for at least 13 weeks (continuous or not) anytime from the age of 14

If your name is not on the Council Tax bill, we cannot award a discount.

The council tax discount took effect from 1st April 2018. Care leavers who become liable for council tax after this date will be granted the discount from the date of occupation.

For anyone already living independently prior to 1st April 2018 but not yet 25, the discount will be applied from 1st April 2018 up to their 25th birthday or until they cease to be liable for council tax.

The level of discount applied will be 100% of any council tax liability after any entitlements to any national reliefs, exemptions or other discounts (including single person discount) have been calculated and awarded.

If after an award, the care leaver's liability for council tax reduces for example if the care leaver becomes entitled to a single person's discount, the care leaver discount will be amended to ensure the award does not exceed the care leavers council tax liability.

Where awarded the discount will remain in force until the care leaver reaches the age of 25 or ceases to become responsible for council tax, whichever date occurs first. In these circumstances the annual bill is apportioned.

9. Special Constables Discount

Since the 1st April 2020 the Council has exercised its discretionary power under Section 13A (1) (c) Local Government Finance Act 1992 to award a 50% Council Tax Discretionary Discount to Special Constables living in Bury.

To qualify for this discount, you must be:

- responsible for paying the Council Tax at an address in the borough
- in the role of a Special Constable for a Police force and you;
 - have completed the required training
 - are spending a minimum of 16 hours a month in the role.

There can only be one Special Constable discretionary discount per household.

The level of discount applied will be a maximum of 50% of any council tax liability and includes any other national reliefs, exemptions or other discounts your household is eligible for.

10. Council Tax Hardship Relief

The Council can exercise its discretion under Section 13A (1) (c) Local Government Finance Act 1992 to award partial or full Council Tax Discretionary Discount in exceptional circumstances, where a person is in financial need and it is considered reasonable to do so.

The Council will look at each case on its own merits and will consider various factors which may include some of the following considerations:

- entitlement to all other eligible discounts / reliefs / income / welfare benefits must have been explored/claimed before making a claim for Section 13A.
- evidence that the application is for exceptional circumstances, which are unexpected and unforeseen.
- we must be satisfied that the applicant has taken or will be taking all reasonable steps to resolve the situation (for example consideration of moving to a lower banded property or lowering the price of a property for sale).
- the amount outstanding must not be the result of wilful refusal to pay or culpable neglect. Arrears built-up as a result of non-payment will not qualify for this reduction.
- the taxpayer must not have access to other assets that could be used towards their council tax liability.

- whether the situation can be resolved by some other legitimate means for example postponing payment pending sale or extending instalments.
- any social or health issues currently being faced by the resident and/or their immediate family. For example, the effect the situation is having on vulnerable members of the family.
- other evidence in support of an application (such as information from professional bodies, e.g. a doctor or social worker).
- where applicable, confirmation of what information/advice has been sought and obtained previously, for example from the C.A.B or other welfare organisations.

11. Applications and review process

Business Rates Discretionary Rates Relief

All applications for Discretionary Rate Reliefs should be made using the Council's application forms.

The Council will also require evidence to support applications,

- The organisation's main purposes and objectives set out in, a written constitution, a memorandum of association, or set of membership rules;
- A full set of audited accounts relating to the two years preceding the date of application. Where audited accounts are not available for the current financial year, projected figures should be provided instead; and
- Details of how the organisation meets the criteria outlined in these guidelines.

Any additional information required should be submitted when requested, failure to provide the requested information may result in your application being delayed or ultimately refused.

Applications may be considered against any national reliefs that are available in the first instance.

If a ratepayer is not satisfied with the decision they can request, in writing within 21 days, for the decision to be reviewed. If they are still not satisfied with the decision after the review has taken place they retain the right to make a complaint under the Council's Corporate Complaints Procedure.

The council may request further information from a ratepayer in connection with any request to reconsider a decision.

Council Tax Discretionary Hardship Relief

Any application for Council Tax Discretionary Hardship Relief should be made using the Council's application form which can be obtained upon request.

Before applying, applicants must be able to demonstrate they have taken all reasonable steps to resolve the problems that are causing them to apply for the relief.

- apply for any other types of Council Tax reduction they may be entitled to. Please see our webpage, [Council Tax discounts, reductions and exemptions - Bury Council](#) for more information.
- see if they can reduce their Council Tax by challenging their Council Tax band, if they have grounds to do so. If they feel that the property is in such a dilapidated condition that it no longer exists as a dwelling they may want to contact the Valuation Office Agency to investigate whether they will remove the property from council tax. This could apply for example where a property has extensive damage to external walls, no roof etc.

There are many organisations that can offer free support and advice if a council taxpayer is struggling with their finances. Please see webpage [Let's manage tough times - Bury Council](#) for more information on support available.

If a council taxpayer is unable to demonstrate that they have explored the relevant points above the application will not be considered.

Any additional information required should be submitted when requested, failure to provide the requested information may result in your application being delayed or ultimately refused.

Applications may be considered against any Council Tax discounts/exemptions that are available in the first instance.

If a council taxpayer is not satisfied with the decision they can request, in writing within 21 days, for the decision to be reviewed. If they are still not satisfied with the decision after the review has taken place they retain the right to make an appeal to the Valuation Office Agency within 28 days, who can be contacted at www.gov.uk/contact-voa or phone 03000 501 501

The council may request further information from a council tax payer in connection with any request to reconsider a decision.

12. Decision Making and Approval

Applications will be considered within the Corporate Collection and Support service with oversight by a Business Manager or a nominated individual, in consultation with other services within the council and the Director/Assistant Director of Finance (or nominated individual) where necessary.

The primary consideration in awarding discretionary relief is that it serves the best interests of Bury's taxpayers and aligns with the strategic priorities set out in the Council's Corporate Strategy.

13. Award Periods

Business Rates Discretionary Rate Relief

Discretionary Rate Relief may be granted for up to 100% of the amount due for a period of up to 12 months and will be reviewed annually if required.

The organisation must inform the Council of any change in circumstances, which might affect eligibility for relief. The change should be notified within two weeks of the date it occurs.

The Council reserves the right to review the award should the circumstances of the organisation change during the period of the award. Where an organisation ceases to meet the eligibility criteria, Discretionary Rate Relief will be withdrawn following a notice period of 12 months.

Council Tax Discretionary Discount

Discretionary discounts may be awarded for any amount (up to 100% of the charge due), for a specific period, for a fixed amount or for an ongoing period of liability. Where the period is ongoing, the award will be subject to regular review.

The applicant will be notified of the decision as soon as possible after it has been made and any award will be applied to the relevant Council Tax account.

14. Backdating of Awards

Business Rates Discretionary Rate Relief

Whilst there is no time limit for an organisation to make an application for Discretionary Rate Relief, the maximum period for which the council will consider awarding relief is the start of the preceding financial year. For example: relief application received on 1st January 2024 and approved – the earliest period the

award could be backdated to would be 1st April 2023 unless there are exceptional circumstances where the council see fit to backdate an award further.

Council Tax Discretionary Discount

Discretionary discounts may be awarded for any amount (up to 100% of the charge due), for a specific period, for a fixed amount or for an ongoing period of liability. Where the period is ongoing, the award will be subject to regular review.

The applicant will be notified of the decision as soon as possible after it has been made and any award will be applied to the relevant Council Tax account.

15. Financial Implications

Business Rates Discretionary Rate Relief

Discretionary Rate Relief is funded in part by the Council and therefore has a direct impact on its financial resources. Under the Business Rates Retention Scheme, the Council retains a significant proportion of business rates income, meaning any relief awarded reduces the funding available for local services. As such:

- Awards of discretionary relief must be made with careful consideration of the Council's overall financial position.
- Relief decisions should reflect the interests of Bury's taxpayers and align with the Council's Corporate Strategy and budgetary priorities.
- The Council reserves the right to limit or refuse relief where the financial impact is deemed unsustainable or inconsistent with strategic objectives.
- Relief will not be awarded retrospectively beyond six months after the end of the financial year to which the application relates, unless exceptional circumstances apply.

Council Tax Discretionary Discount

Council Tax Discretionary Discount is funded wholly by the Council and therefore has a direct impact on its financial resources.

Awards of discretionary relief/discount must be made with careful consideration of the Council's overall financial position and relief decisions should reflect the interests of Bury's taxpayers and align with the Council's Corporate Strategy and budgetary priorities.

Any officer or member involved in the decision-making process for discretionary relief must declare if they have any interest or association with the organisation/individual which is applying for discretionary relief.

Applicants will be notified in writing of any decision, whether they are successful or not. A revised NNDR/Council Tax bill will be sent where appropriate.

16. Subsidy Allowances

Business Rates Discretionary Rate Relief

Discretionary Rate Relief may constitute a subsidy under the UK's subsidy control regime, which replaced EU State Aid rules following Brexit. In accordance with the Subsidy Control Act 2022, the Council must ensure that any relief granted:

- Complies with the principles set out in the Act, including transparency, proportionality, and minimal distortion of competition and trade.
- Does not exceed the thresholds for Minimal Financial Assistance (MFA), currently set at £315,000 over a three-year period for most undertakings.
- Is recorded and reported in line with government requirements, including publication on the UK Subsidy Database where applicable.
- Is assessed for its potential impact on competition and investment, particularly where the recipient operates in markets that extend beyond the local area.

Please note that it is up to the organisation applying for relief to advise if they comply with Subsidy allowances and to inform the council as necessary.

17. Fraud

Where a ratepayer falsely applies for any relief/discount, or where the ratepayer/chargepayer provides false information, make false representations, or deliberately withholds information in order to gain relief, prosecutions will be considered under the Fraud Act 2006.

18. Policy Review

This policy will be periodically reviewed as necessary, or sooner should there be a change in legislation that impacts on its operation.

19. Conclusion

This policy is designed to reflect the Council's corporate direction and incorporates the values outlined in the Corporate Strategy to guide the decision-making process for awarding Business Rates Discretionary Rate Relief and Council Tax Discretionary Discount.