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**Business rates discretionary relief policy**

**Introduction**

Section 47 of the Local Government Finance Act 1988 gives Councils the power to grant relief to organisations that meet certain criteria.

This power is discretionary, and can be limited by other factors, notably the budget and funds available for this purpose.

Councils have discretion to grant rate relief from all or part of the amount of non-domestic rates payable.

Any relief granted is used to reduce the amount the organisation is required to pay in business rates.

The Council recognises the valuable role that voluntary organisations can and do play in the life of the community. It is committed to providing high quality services to Birmingham’s ratepayers, and acknowledges the way voluntary groups can complement these services.

The following sections set out the factors we will consider when deciding whether to grant relief, and the way in which we will decide the value of any relief granted.

**How we will decide whether to award discretionary rate relief**

We will deal with each application for relief on its merits, and treat all organisations that apply equally and fairly.

Where applicable, we will communicate with other grant funders to prevent duplication of payment in respect of business rates.

We will operate the scheme in a manner that helps the City to achieve its full potential and helps to support the Council’s priorities as contained in the Corporate Plan, as well as regional and national priorities.

**Our criteria**

The criteria to be used in deciding whether to give discretionary rate relief are designed to assess how an organisation’s work helps achieve the Council’s priorities and meet the community’s need for services and facilities.

The Council will consider applications or relief where the following key criteria are met:

* the ratepayer is a non-profit making body;
* the property is used by the ratepayer wholly or mainly for charitable, philanthropic or religious purposes, or concerned with education, social welfare, science, literature or the fine arts; or
* the ratepayer uses the property wholly or mainly for recreation by a non-profit making club or society.

Registered charities in receipt of mandatory relief of 80% can apply for discretionary relief on the remaining 20% of their bill.

Other organisations that meet these criteria, such as voluntary organisations and not-for-profit sports clubs, can apply for relief of up to 100%.

The following additional criteria will also be applied where applicable:

**Equal opportunities** - The organisation should have an appropriate policy that aims to give equality of opportunity to both any employees it has and to people in the community it services. A copy of a formal policy should be submitted with the discretionary relief application. If a written policy is not available, evidence must be provided that the organisation does not unfairly discriminate against any section of the community.

**Open access to membership** - Membership should be open to all sections of the community. There may be some restrictions placed on ability in sport if this is appropriate, however, in general membership should not be exclusive or restrictive.

**Membership fees** – These must not be set at such a level as to exclude the general community. The Council would expect applicants to state their current membership rates, and to illustrate that the criteria used to consider applications for membership is consistent with the principle of open access.

Applications will be dealt with more sympathetically if an organisation can demonstrate it actively encourages membership from, or offers support to, particular groups in the community such as young people, women, older people, persons with a disability or ethnic minorities.

**Beneficiaries of services or facilities** - The organisation should provide training or education to its members, and non-members such as young people, people with disabilities, or retired people. The organisation should provide facilities that indirectly relieve the Council of the need to do so, or enhance and supplement those it does provide.

**Affiliation to local or national organisations** - The organisation should be actively involved in local/national development of their interests.

**Benefit to Birmingham residents** - Applicants must show that the benefits, services or facilities they provide mainly benefit the residents in the Birmingham area. This could be as a result of the employment of local people, or on the basis of the membership of the organisation.

**Members are not paid** - The Council will not grant relief where payments or other significant benefits are provided to players of a sports club. This excludes the reimbursement of reasonable travel expenses for players or officials, and reasonable provision and maintenance of club owned equipment necessary for playing the sport.

**Contribution to community plans and objectives** - The activities of the organisation should contribute to a local or regional community strategy and/or authority objectives for building neighbourhood identity, community building or social inclusion.

**Financial support from external sources** - Copies of the organisation’s last two years’ audited accounts must be provided with the application to assist the Council in assessing the ability of the applicant to meet the costs of rates in the absence of additional rate relief. It should be made clear on the application form the level of funding given to the organisation by the Council and or any other external bodies.

The Council will also consider applications for relief of up to 100% from other ratepayers where granting relief would result in tangible benefits to the citizens of Birmingham.

**Amount of relief**

As noted above, the Council has the discretion to allow relief at any rate up to 100% of the business rates charge, less any mandatory relief an organisation is entitled to.

Entitlement will be assessed against the criteria and factors described above.

The actual amount of relief granted will, however, be determined by the affordable budget available within the Council.

In order to ensure equitable distribution, all organisations meeting the criteria will receive the same proportionate level of relief.

**State aid**

Please note that any award of discretionary rate relief must comply with EU law on state aid.

State aid is generally prohibited by EU rules. However, there are exceptions to this, and some financial aid is allowed under the de minimis rules if the total amount of funding received by an organisation does not cumulatively exceed €200,000 over a three-year period.

Any assistance you have received, or are due to receive, from a public body may count as de minimis state aid. This could be any aid, grant or support from central, regional or devolved governments, agencies, or a local authority.

The application form requires you to confirm that you have not received any other de minimis State Aid. For further information please visit the following link: <https://www.gov.uk/guidance/state-aid>.

These rules will continue to apply following the UK’s departure from the EU until such time as the law is changed.

**Submitting an application** **for discretionary relief**

A claim must be made on an approved application form which is available on our [website](https://www.birmingham.gov.uk/downloads/file/689/discretionary_rate_relief_application_form) or on request.

It is the responsibility of the organisation applying for relief to provide sufficient information and documentary evidence to support its application.

Completed applications, including all necessary supporting documentation, should be sent to:

**Birmingham City Council  
Revenues (Business Rates)  
PO Box 5  
Birmingham   
B4 7AB**

or emailed to [**business\_rates@birmingham.gov.uk**](mailto:business_rates@birmingham.gov.uk?subject=DISCRETIONARY%20RATE%20RELIEF%20APPLICATION)**.**

Where further information is required, we will request this and allow a minimum of 1 month for it to be provided.

If this is not received, we will still consider the application but only on the basis of the information and evidence in our possession.

**Period of award**

The Council will decide the period that relief will be awarded for depending on the circumstances of the application. The minimum period of relief that can be awarded is one day.

Unless stated otherwise, relief will be awarded for the current financial year only. Towards the expiry date of the current award, the Council will invite a renewal claim.

Relief may be backdated to the beginning of the previous financial year if an application is made in enough time to allow the Council to make a decision by 30 September of the current financial year.

**Changes in liability**

If there is a change to a ratepayer’s liability during the period of the relief, the following amendments to the awarded amount will apply:

**Increase in liability/charge** – Where liability/charge increases, the amount of the award will continue at the rate originally granted up to the appropriate renewal date.

**Reduction in liability/charge** – the amount of the award for the remaining financial year will be the required percentage of the new liability/charge.

**How payments will be made**

All relief awarded will be credited against the business rates bill.

**Notification**

The Council will inform the ratepayer in writing of the outcome of their application for relief within seven days of making a decision.

Where the application is not successful, the notification will provide full reasons why we have decided not to award relief and the applicant’s right to ask us to look at the decision again.

Where the application is successful, the notification will include the following information:

• the period of the award;

• the percentage of the rate liability awarded for that period;

• the amount of relief to be awarded for the period;

• details of when an amended non-domestic rate demand will be issued;

• the right to ask us to look again at the decision.

**Overpayments**

The Council will recover all overpayments of discretionary rate relief through the ratepayer’s business rates account.

**Right of review**

If you disagree with a decision made under this policy, you may write and tell us why you think our decision is wrong. If you are able to provide further information to address the reasons given as to why your application was unsuccessful, you may do so and we will reconsider our decision in the light of the new information.

If the Council’s decision is still not to award relief, you may ask for a full review. A panel not involved in the original decision will check your application and supporting evidence thoroughly, taking into account any further information given in your appeal letter, then decide whether the policy have been properly applied in your case.

The panel has the authority to

• confirm the decision;

• change the decision and award you more discretionary rate relief; or

• change the decision and award you less discretionary rate relief.

We will write to tell you what has happened, normally within 7 days of decision of the panel.

There is no further right of appeal against a decision of the panel.

**Fraud**

The Council is committed to reducing fraud in all its forms. A ratepayer who falsely declares their circumstances, or provides a false statement or evidence in support of an application for discretionary rate relief, may have committed an offence under the Theft Act 1968. Where we suspect this to be the case, the matter will be investigated in line with the Council’s [Anti-Fraud and Corruption Policy](https://www.birmingham.gov.uk/downloads/file/713/anti_fraud_and_corruption_policypdf). This may lead to criminal proceedings being instigated.

**Publicity**

The Council will include information about discretionary rate relief with non-domestic rate demands, relevant leaflets and within the [Business Rates](https://www.birmingham.gov.uk/business-rates) section of the Council’s website.

**Review**

This policy will be reviewed periodically, taking into account other Council policies and priorities and any changes in legislation.