

Isle of Wight Council Policy for the granting of Discretionary Non-Domestic Rate Relief

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1.0 Purpose of the Policy

- 1.1 The purpose of this policy is to determine the level of discretionary relief and related areas to be granted to certain defined ratepayers within the Council's area. The policy includes all changes effective from 1 April 2025.
- 1.2 The Local Government Finance Act 1988 and subsequent legislation including the Non-Domestic Rating Act 2023, requires the Council to grant mandatory relief for premises occupied by Charities and similar organisations that own or occupy them wholly or mainly for charitable purposes. Likewise, certain premises situated within a rural settlement area will be eligible for mandatory relief. Powers have also been granted under the Localism Act 2011, which allow for the granting of discretionary rate relief to any premises where the Council feels the granting of such relief would be of benefit to the local community.
- 1.3 Whilst the Council is obliged to grant relief to premises, which fall within the mandatory category, the Council also has powers to grant discretionary relief and reductions to ratepayers subject to certain criteria being met. In the case of new reliefs, guidance has been issued by Central Government outlining actions expected to be taken by local authorities.
- 1.4 This document outlines the following areas:
 - Details of the criteria for receiving Discretionary Reliefs for all relevant areas;
 - The Council's policy for granting of all types of Discretionary Reliefs;
 - Guidance on granting and administering the reliefs and reductions; and
 - The Council's Scheme of Delegation.
- 1.5 This document covers all aspects of discretionary rate relief (subject to changes in legislation). Where organisations apply for relief, they will be granted (or not granted) relief or reductions in line with the following policy.

2.0 Mandatory Relief - Legislative Background

Charity Relief

- 2.1 The powers relating to the granting of mandatory¹ and discretionary relief are given to the Council under the Local Government Finance Act 1988². Charities and Trustees for Charities are only liable to pay one fifth of the Non-Domestic Rates that would otherwise be payable where property is occupied and used wholly or mainly for charitable purposes. This amounts to mandatory relief of 80%. For the purposes of the Act a charity is an organisation or trust established for charitable purposes, whether or not it is registered with the Charity Commission. The provision has recently been extended under the Local Government Act 2003 (effective from 1st April 2004) to registered Community Amateur Sports Clubs (CASCs).
- 2.2 The Council has discretion to grant relief of up to a further 20% for these cases under the discretionary provisions.
- 2.3 From Central Government have determined that all Private Schools which would have previously been entitled to mandatory relief (either as a charity or charitable organisation), will **no longer be entitled to mandatory relief**. For the purposes of this change the definition of 'Private School' is an educational establishment that provides compulsory full time education where a fee is payable.
- 2.4 The Non-Domestic Rating (Multipliers and Private Schools Act 2025) will end relief eligibility for private schools. This change will take effect from April 2025, subject to Parliamentary process. Private schools which are 'wholly or mainly' concerned with providing full time education to pupils with an Education, Health and Care Plan will remain eligible for relief.

Rural Rate Relief

- 2.5 From 1st April 2024, under powers originally granted to the Council under the Local Government and Rating Act 1997³, certain types of business in rural settlements, with a population below 3000 may qualify for mandatory rate relief of 100 per cent. Businesses that qualify for this relief are the sole general store and the sole post office in the village, provided it has a Rateable Value of up to £8500; any food shop with a Rateable Value of up to £8500; and the sole pub and the sole petrol station in the village provided it has a Rateable Value of up to £12500.
- 2.5 In addition to this, the Council may decide to give up to 100 per cent relief to any other business (not in receipt of mandatory relief) in such a rural settlement, with a Rateable Value of up to £16,500, if it is satisfied that the business is of benefit to the community and having regard to the interests of its Council Taxpayers.⁴

¹ S43 & S45 Local Government Finance Act 1988

² S47 & S48 Local Government Finance Act 1988

³ LGFA 1988, s.47, as amended by Sch. 1 to the Local Government and Rating Act 1997

⁴ The Rateable Value figures in italics may be subject to change from 1 April 2023, due to the 2023 revaluation

Mandatory Relief – Public Lavatories

- 2.6 The Non-Domestic Rating (Public Lavatories) Act 2021 (which received Royal Assent on 19th April 2021) has enabled mandatory relief of 100 per cent to be granted for all premises which consist *wholly or mainly* of public lavatories.
- 2.7 As with other areas of Non-Domestic Rating, '*wholly*' means 100 per cent and '*mainly*' means that at least 51 per cent of the hereditament consists of public lavatories.
- 2.8 For any day that the conditions are met, the charge shall be zero.
- 2.9 The mandatory relief can be awarded with effect from 1st April 2020, and as it is granted as a mandatory relief, rather than a discretionary relief, it can be awarded to all ratepayers including both Billing and Precepting Authorities.

Mandatory Relief - Improvement relief

- 2.10 Section 1 of the Non-Domestic Rating Act 2023 provides the overarching framework for the relief. The Non- Domestic Rating (Improvement Relief)(England) Regulations 2023 set out detailed the conditions to be met, including the occupation condition and the definition of qualifying works. At the time of writing, these regulations are in draft and subject to consultation.
- 2.11 To receive the improvement relief, ratepayers will need to demonstrate that their property meets 2 conditions:
- (a) the Valuation Office Agency (VOA) must be satisfied that the improvements meet the definition of qualifying works - the 'qualifying works' condition, and
 - (b) the relevant local billing authority must be satisfied that in the period since the qualifying works commenced the property has remained occupied and that the ratepayer has not changed – the 'occupation' condition.
- 2.12 Once the VOA is satisfied that the qualifying works condition has been met then it will issue a certificate of the increase in rateable value which is attributable to any works falling within the meaning of qualifying works. The certificate will specify dates. The Council will then apply the relief using the certificate but only if the occupation condition has been met. The government does not wish any ratepayer who has undertaken qualifying works to see an increase in their bill for 12 months as a result.

Mandatory Relief - Heat Network Relief

- 2.13 Heat networks take heat or cooling from a central source(s) and deliver it to a variety of different customers such as public buildings, shops, offices, hospitals, universities, and homes. By supplying multiple buildings, they avoid the need for individual boilers or electric heaters in every building. Heat networks have the potential to:

- reduce bills;
 - support local regeneration; and
 - be a cost-effective way of reducing carbon emissions from heating.
- 2.14 Heat networks play an important role in decarbonising heat and support delivery of Government's net zero commitments. They are uniquely able to unlock otherwise inaccessible large-scale renewable and recovered heat sources such as waste heat and heat from rivers and mines.
- 2.15 The Non-Domestic Rating Act 2023 inserts into S43 of the Local Government Finance Act 1988 and relief will be granted at 100% where the eligibility conditions are met.

Who is eligible for the relief?

- 2.16 In order to be eligible for Heat Network Relief, the hereditament must be:
- (a) wholly or mainly used for the purposes of a heat network; and
 - (b) the heat is expected to be generated from a low carbon source (irrespective of whether that source is located on the hereditament or on a different hereditament).
- 2.17 For the purposes of this relief, a heat network is a facility, such as a district heating scheme, which supplies **thermal energy from a central source to consumers via a network of pipes for the purposes of space heating, space cooling or domestic hot water**.
- 2.18 Hereditaments wholly or mainly providing heat for a different purpose (such as an industrial process) are not eligible.

3.0 Discretionary Relief – Legislative Background

Introduction

- 3.1 The original purpose of discretionary relief was to provide assistance where the property does not qualify for mandatory relief, or to 'top' up cases where ratepayers already receive mandatory relief.
- 3.2 Over recent years and particularly since 2011, the discretionary relief provisions have been amended to allow authorities the flexibility to provide assistance to businesses and organisations.
- 3.3 The range of bodies, which are eligible for discretionary rate relief, is wide and not all of the criteria laid down by the legislation will be applicable in each case.
- 3.4 Unlike mandatory relief, ratepayers are obliged to make a written application to the Council.
- 3.5 The Council is obliged to carefully consider every application on its merits, taking into account the contribution that the organisation makes to the amenities of the Island. There is no statutory appeal process against any decision made by the

Council although as with any decision of a public authority, decisions can be reviewed by Judicial Review.

3.6 Granting of the relief falls broadly into the following categories:

- (a) Discretionary Relief – Charities who already receive mandatory relief.
- (b) Discretionary Relief – Premises occupied by organisations not established or conducted for profit whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts **or** premises occupied by organisations not established or conducted for profit and wholly or mainly used for purposes recreation;
- (c) Discretionary Relief – Rural Rate relief - premises not receiving mandatory relief but of benefit to the local community and less than £16,500 RV;
- (d) Discretionary Relief – Granted under the Localism Act 2011 provisions;
- (e) Supporting Small Business Relief (from 1st April 2023 until 31st March 2026)
- (f) Retail Hospitality and Leisure Relief (from 1st April 2025 until 31st March 2026 for a period of one year);
- (g) Hardship Relief – Granted under Section 49 of the Local Government Finance Act 1988.

3.7 The decision to grant or not to grant relief is a matter purely for the Council.

The Council's approach to granting Discretionary Relief

3.8 In deciding which organisations should receive discretionary Rate relief, the Council has taken into account the following factors and priorities:

- (a) The policy should support business, charities, organisations, and groups that help to retain services in the Island and not compete directly with existing businesses in an unfair manner;
- (b) Help and encourage business, charities, organisations, groups and communities to become self-reliant;
- (c) Awarding discretionary relief should not distort competition or significantly change the provision of services within the Island;
- (d) Every business/ organisation should contribute something towards the provision of local services within the Island;
- (e) Local organisations will be given priority over national organisations. In particular the organisation will need to supply the Council with clear evidence of the amounts of monies raised and used / invested locally within the Island. This will be particularly important where the organisation is national in nature.
- (f) To support appropriate organisations that deliver outcomes to the community which relate to the priorities of the Council;
- (g) To enable appropriate organisations to start, develop or continue their activities, which deliver outcomes to the community that also relate to the priorities of the Council, which without granting discretionary relief they would be unable to do;
- (h) To support and enable appropriate businesses to start, develop and continue with their operations that deliver outcomes directly related to the Council's Economic Development Delivery Action Plan; and
- (i) To ensure that the financial impact of awarding discretionary business rate relief is justified in terms of the local outcomes achieved by the organisation receiving it.

3.9 Where any reduction or remission is granted to a ratepayer under S49 Local Government Finance Act 1988 where hardship is proven to the Council, then there will be no requirement to grant Discretionary Rate Relief for that amount.

4.0 Effect on the Council's Finances

4.1 The granting of discretionary relief will, in the main, involve a cost to the Council. Since the change to the funding for Non-Domestic Rating in April 2013, the effect of the relief is complex.

4.2 Any amounts granted prior to 1st April 2013 and continuing since that date will be included in the Council's baseline within the Business Rates Retention Scheme. For any amounts granted for similar cases after 1st April 2013, the costs of the relief will be borne in accordance with the Business Rates Retention Scheme share namely 50% borne by Central Government and 50% by the Council. This also applies where mandatory relief is granted.

4.3 Where Central Government leads an initiative, grants are often available through section 31 of the Local Government Act 2003. This is not automatic and Central Government will look to the Council to adopt the recommended approach when granting in these areas

4.4 The financial effects of discretionary reliefs covered by this policy are as follows:

Appendix	Relief Type	Granted after 1 st April 2023 (Effective from 1 st April 2023)
	Charity Relief	
A	Discretionary relief granted to Mandatory Relief recipients	50% borne by the Council
B	Non-profit Making Organisations including Sports Clubs and societies	50% borne by the Council
	Rural Rate Relief	
C	Premises within a rural settlement (not receiving Mandatory Relief) under £16500 RV	50% borne by the Council
	Localism	
D	Discretionary Relief granted to ratepayers generally and not covered by any other section	50% borne by the Council
	Supporting Small Business Relief	
E	Supporting Small Businesses Relief (from 1 st April 2023 for a period of up to three years if conditions are met).	Section 31 Grant
	Retail, Hospitality and Leisure Relief	
F	Retail, Hospitality and Leisure Relief (from 1 st April 2025 for a period of one year)	Section 31 Grant

Appendix	Relief Type	Granted after 1 st April 2023 (Effective from 1 st April 2023)
	Hardship Relief – Section 49	
G	This is a discretionary relief that can be awarded by the Council where a ratepayer is considered to be suffering hardship.	50% borne by the Council

5.0 Administration of Discretionary Relief

- 5.1 The following section outlines the procedures followed by officers in granting, amending, or cancelling discretionary relief and reduction.

Applications and Evidence

- 5.2 All reliefs must be applied for in writing by the ratepayer. Application forms are available online at www.iow.gov.uk/Businessrates or by request.
- 5.3 Organisations are required to provide a completed application form plus any such evidence, documents, accounts, financial statements etc. necessary to allow the Council to make a decision. Where insufficient information is provided, then no relief will be granted.
- 5.4 Applications should initially be made to the Business Rates Section and will be determined in accordance with Section 6 of this policy.

Granting of relief

- 5.5 In all cases, the Council will notify the ratepayer of decisions made.
- 5.6 Discretionary relief will be granted (where applicable) from a date determined by the Council.
- 5.9 A fresh application for discretionary relief will, if required by the Council, be necessary for each financial year.

Variation of a decision

- 5.10 Variations in any decision will be notified to ratepayers as soon as practicable and will take effect from a date determined by the Council.
- 5.11 A decision may be revoked at any time and the change will take from the date specified by the Council.

6.0 Scheme of Delegation, Reviews and Appeals

Granting, Varying, Reviewing and Revocation of Relief

- 6.1 Under powers given to the Council by section 223 of the Local Government Act 1992, all permissions for the granting, varying, reviewing and revocation of discretionary relief and reductions are given under the Local Government Finance Act 1988, the Local Government and Rating Act 1997, the Local Government Act 2003, and the Localism Act 2011.
- 6.2 An application will need to be submitted to the business rates section who will undertake the initial first stage assessment to confirm it is valid. They will produce an overall decision sheet and submit it to the Revenues Team Leader, who will review applications and supporting documents and recommend awards to the Business Centre Manager. The Business Centre Manager will review and if satisfied will pass the recommendation, award date and amount to the Director of Finance. The Business Centre Manager has authorisation up to a limit of £2,000 per financial year and with a maximum of £6000; any reductions over this amount will be referred to the Director of Finance or Assistant Director of Finance for any award over £6000 for consideration.
- 6.3 Decisions under the current scheme are delegated to the Chief Finance Officer and Section 151 Officer and it is proposed that under the revised scheme a similar delegation is used. Any application which is considered to be of a significant nature will be subject to consultation with the relevant Cabinet member prior to final determination.
- 6.4 Applications that are refused will be reconsidered if additional supporting information is provided or the refusal is subsequently considered to be based on a misinterpretation of the application.

Reviews

- 6.5 The policy for granting relief will be reviewed annually or where there is a substantial change to the legislation or funding rules. At such time, a revised policy will be brought before the relevant committee of the Council.
- 6.6 The Director of Corporate Services will submit a report on a six-monthly basis to the Chief Finance Officer and S151 Officer and Executive member for Resources summarising the position on applications received, granted and not granted.

Appeals

- 6.7 Where the Council receives an appeal or request for reconsideration of a decision regarding the granting, non-granting or the amount of any discretionary relief, the case will be reviewed by the Director of Corporate Services. Where a decision is revised then the ratepayer shall be informed, likewise if the original decision is upheld.

7.0 Reporting changes in circumstances

- 7.1 Where any award is granted to a ratepayer, the Council will require any changes in circumstances which may affect the relief to be reported as soon as possible and, in any event, not more than 21 days from the happening of the event. This will be important where the change would result in the amount of the award being reduced or cancelled e.g., where the premises comes unoccupied or is used for a purpose other than that determined by the Council as eligible for relief.
- 7.2 Where a change of circumstances is reported, the relief will, if appropriate be revised or cancelled. Where any award is to be reduced, the Council will look to recover the amount from the date the change of circumstances occurred.

8.0 Fraud

- 8.1 Where a ratepayer falsely applies for any relief, or where the ratepayer provides false information, makes false representation, or deliberately withholds information in order to gain relief, prosecutions will be considered under the Fraud Act 2006.

Appendix A

Discretionary Relief – Mandatory Relief recipients

Discretionary Relief – Mandatory Relief recipients

General Explanation

- A.1 S43 of the Local Government Finance Act 1988 allows mandatory relief (80%) to be granted on premises if the ratepayer is a charity or trustees for a charity and the premises are wholly or mainly used for charitable purposes. No charge is made in respect of unoccupied premises where it appears that *when next in use* it will be used wholly or mainly for those purposes.
- A.2 The legislation has been amended by the Local Government Act 2003 (effective from 1 April 2004) to include registered⁵ Community Amateur Sports Clubs (CASC). These organisations can now receive the mandatory (80%) relief.

Charity registration

- A.3 Charities are defined within the legislation as being an institution⁶ or other organisation established for charitable purposes only or by persons administering a trust established for charitable purposes only.
- A.4 The question as to whether an organisation is a charity may be resolved in the majority of cases by reference to the register of charities maintained by the Charity Commissioners under s.4 of the Charities Act 1960. Entry in the register is conclusive evidence. By definition, under the Non-Domestic Rating legislation, there is no actual need for an organisation to be a registered charity to receive the relief and this has been supported by litigation⁷, however in all cases the organisation must fall within the following categories:
- trusts for the relief of poverty;
 - trusts for the advancement of religion;
 - trusts for the advancement of education; and
 - trusts for other purposes beneficial to the community, but not falling under any of the preceding heads.
- A.5 Certain organisations are exempted from registration generally and are not required to make formal application to the Charity Commissioners these are:
- the Church Commissioners and any institution administered by them;
 - any registered society within the meaning of the Friendly Societies Acts of 1896 to 1974;
 - units of the Boy Scouts Association or the Girl Guides Association; and
 - voluntary schools within the meaning of the Education Acts of 1944 to 1980.
- A.6 The Council would consider charitable organisations, registered or not, for mandatory relief.

⁵ Registered with HMRC as a CASC

⁶ S67(10) Local Government Finance Act 1988

⁷ Income Tax Special Commissioners v Pemsell (1891)

Use of Premises – wholly or mainly used

- A.7 Irrespective of whether an organisation is registered as a charity or not, the premises **must** be wholly or mainly used for charitable purposes. This is essential if any relief (either mandatory or discretionary) is to be granted. In most cases this can be readily seen by inspection but on occasions the Council has had to question the actual use to which the premises are to be put. It will be an essential part of the process of the application for the Council to inspect any premises fully.
- A.8 Guidance from the Department for Levelling Up, Communities and Local Government (DLUHC) has stated that in the case of 'mainly', at least 51% must be used for charitable purposes whether of that charity or of that and other charities.
- A.9 The following part of this section gives details on typical uses where relief may be given plus additional criteria that have to be satisfied. The list is not exhaustive but gives clear guidance on premises for which mandatory relief can be granted *and therefore* premises which could be equally considered for discretionary rate relief.

Offices, administration, and similar premises

- A.10 Premises used for administration of the Charity including:
- Offices
 - Meeting Rooms
 - Conference Rooms

Charity shops

- A.11 Charity shops are required to meet additional legislative criteria if they are to receive mandatory relief. Section 64(10) of the Local Government Finance Act 1988 provides that a property is to be treated as being wholly or mainly used for charitable purposes at any time if, at the time, it is wholly or mainly used for the sale of goods donated to a charity and the proceeds of the sale of the goods (after any deduction of expenses) are applied for the purposes of the charity.
- A.12 In order to ascertain whether an organisation meets these requirements, inspections may be made by an officer of the Council when an application is received.

Charity Relief – Mandatory Relief recipients, the Council's Policy for granting discretionary relief.

- A.13 The Council will consider applications for a discretionary rate relief top up from charities based on their own merits, on a case-by-case basis.
- A.14 In determining the application, the following matters will be taken in to consideration:
1. How the charity supports and links into the Council's corporate vision and priorities;
 2. The purpose of the charity and the specific activity carried out within the premises for which the relief is requested;
 3. Whether the charity operates at a local or national level and where appropriate, the local and national funding streams and financial position of the charity;

A15 The Council is keen to support businesses that have a critical role to play in the local economy and which meet the strategic priorities and direction of the council. The vision is for the Isle of Wight to be an inspiring place in which to grow up, work, live and visit and which:

- Create opportunities for all;
- Deliver economic growth and prosperity;
- Preserve our environment;
- Protect our community;
- Plan for our future needs; and
- Provide sound financial management.

A.16 In the case of registered Community Amateur Sports Clubs, the key criteria in determining the application will be:

1. The ratepayer occupies the whole hereditament;
2. Relief cannot be granted in respect of premises that are occupied by the Council or any Town and Parish Council, although the latter could be a minority tenant of such premises;
3. How the CASC supports and links into the Council's corporate vision and priorities;
4. 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;
5. Membership numbers and the number and percentage of these members that are Island residents;
6. If the CASC has due regard to equality issues and if it actively encourages members from under-represented groups, for example black and minority ethnic residents, people over 50 and people with disabilities;
7. Whether facilities are available to the wider community regardless of ability. We will also require additional financial information including:
8. 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 and where appropriate, the local and national funding streams and financial position of the CASC.

A17 The Council wishes to support and enable appropriate businesses to start, develop and continue with their operations that deliver outcomes directly related to the Council's corporate plan. In the main this will be done through other means rather than granting discretionary relief. There may be occasions where applications are made for such relief or where a package of measures, including discretionary relief, are appropriate in supporting businesses.

Appendix B

Discretionary Relief – Non-Profit Making Organisations including Recreation.

Discretionary Relief – Non-Profit Making Organisations including Recreation.

General explanation

Non-Profit

- B.1 The legislation⁸ allows the Council to grant discretionary relief where the property is not an *excepted* one and all or part of it is occupied for the purposes of one or more institutions or other organisations none of which is established or conducted for profit and each of whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature, or the fine arts.
- B.2 Relief cannot be granted to any premises occupied by the Council, or any town, parish council or major Precepting Authority (*excepted premises*).
- B.3 A number of issues arise from the term 'not established or conducted for profit'. This requires the Council to make enquiries as to the overall purpose of the organisation although if surpluses and such amounts are directed towards the furtherance or achievement of the objects of the organisation then it does not necessarily mean that the organisation was established or conducted for profit.⁹

Recreation Clubs

- B.4 Ideally all recreation clubs should be encouraged to apply for Community Amateur sports Club (CASC) status, which would automatically entitle them to 80% relief. The relief granted to CASCs is covered earlier within this policy.
- B.5 Recreation Clubs can also apply to the Charity Commissioners for registration as a Charity (thereby falling under the mandatory provisions for 80% relief) where they meet the following conditions:
- (a) The promotion of community participation in healthy recreation and by the provision of facilities for the playing of particular sports; and
 - (b) The advancement of the physical education of young people not undergoing formal education.
- B.6 Where sports clubs do not meet the CASC requirement, and are not registered charities, discretionary relief can be granted (0-100%) where the property is not an *excepted* one, it is wholly or mainly used for purposes of recreation and all or part of it is occupied for the purpose of a club, society or other organisation not established or conducted for profit.

Definition of Recreation

- B.7 Recreation is clearly defined by the Sports Council as any of the following¹⁰

⁸ S47 Local Government Finance Act 1988

¹⁰ Definition last reviewed by Sport England in 2002

Aikido	Croquet	Kabaddi	Real Tennis	Tang Soo Do
American Football	Crossbow	Karate	Roller Hockey	Tenpin Bowling
Angling	Curling	Kendo	Roller Skating	Trampoline
Archery	Cycling	Korfball	Rounders	Triathlon
Arm Wrestling	Disability Sport	Lacrosse	Rowing	Tug of War
Association Football	Dragon Boat	Lawn Tennis	Rugby League	Unihoc
Athletics	Racing	Life Saving	Rugby Union	Volleyball
Australian Rules Football	Equestrian	Luge	Sailing	Water Skiing
Badminton	Fencing	Modern Pentathlon	Sand/Land Yachting	Weightlifting
Ballooning	Fives	Motor Cycling	Shinty	Wrestling
Baseball	Flying	Motor Sports	Shooting	Yoga
Basketball	Gaelic Football	Mountaineering	Skateboarding	
Baton Twirling	Gliding	Movement, Dance, Exercise & Fitness	Skiing	
Biathlon	Golf	Netball	Skipping	
Bicycle Polo	Gymnastics	Orienteering	Snowboarding	
Billiards and Snooker	Handball	Parachuting	Softball	
Bobsleigh	Hang/Para	Petanque	Sombo	
Boccia	Gliding	Polo	Wrestling	
Bowls	Highland Games	Pony Trekking	Squash	
Boxing	Hockey	Pool	Skater/Street Hockey	
Camogie	Horse Racing	Quoits	Sub-Aqua	
Canoeing	Hovering	Racketball	Surf Life	
Caving	Hurling	Rackets	Saving	
Chinese Martial Arts	Ice Hockey	Raquetball	Surfing	
Cricket	Ice Skating	Rambling	Swimming & Diving	
	Jet Skiing		Table Tennis	
	Ju Jitsu		Taekwondo	
	Judo			

Access to clubs

- B.8 Guidance issued by the DLUHC also requires the Council to consider access to clubs within the community before granting discretionary relief.
- B.9 Membership should be open to all sections of the community. There may be legitimate restrictions placed on membership which relate for example to ability in sport or to the achievement of a standard in the field covered by the organisation or where the capacity of the facility is limited, but in general membership should not be exclusive or restrictive.
- B.10 Membership rates should not be set at such a high level as to exclude the general community. However, membership fees may be payable at different rates that distinguish the different classes of membership such as juniors, adults, students, pensioners, players, non-players, employed and unemployed. In general, the club or organisation must be prepared to show that the criteria by which it considers applications for membership are consistent with the principle of open access.

- B.11 The Council also asks the following question to help establish the level of access 'Does the organisation actively encourage membership from particular groups in the community e.g., young people, women, older age groups, persons with disability, ethnic minorities' etc.?'

Provision of facilities

- B.12 Clubs which provide training or education are encouraged as are those who provide schemes for particular groups to develop their skills e.g., young people, the disabled, retired people.
- B.13 A number of organisations run a bar. The mere existence of a bar will not in itself be a reason for not granting relief. However, the Council focuses on the main purpose of the organisation. The Council is encouraged to examine the balance between playing and non-playing members.
- B.14 Within this area the Council also considers whether the facilities provided relieve the Council of the need to do so or enhance and supplement those that it does provide.

Discretionary Relief - Non-Profit Organisations including Recreation – the Council's Policy

- B.15 The Council will consider applications for discretionary rate relief from non-profit making organisations on their own merits on a case-by-case basis. In determining the application, the following matters will be taken in to consideration (The list is not exhaustive):
- How the organisation supports and links into the Council's corporate vision and priorities;
 - 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 Island residents;
 - If the organisation has due regard to equality issues and if its facilities are used by all members of the community, for example black and minority ethnic residents, people over 50 and people with disabilities.
- B.16 The Council will also require additional financial information including:
- If the organisation runs a bar or food provision, the level of income from this activity and how this money is used; and
 - Whether the organisation operates at a local or national level and where appropriate, the local and national funding streams and financial position of the organisation.

Appendix C

Discretionary Relief – Premises within Rural Settlements

Discretionary Relief – Premises within Rural Settlements

- C.1 In addition to having the ability to grant discretionary relief to those in receipt of mandatory relief, the Local Government and Rating Act 1997 allows discretionary relief of up to 100% to be granted where the rateable value is £16500 or less and:
- a. Property is used for purposes which are of benefit to the local community, and
 - b. It would be reasonable for the billing authority to award relief, having regards to the Council's Council Taxpayers
- C.2 As with all discretionary relief, part of the cost, is met by Central Government and the balance from local sources.
- C.3 The main criteria for granting discretionary relief in respect of rural rate relief is that premises are used to benefit the local community.

Benefit to the local community

- C.4 Whilst each application for the relief will be considered on its own merits, there are certain factors which weigh heavily in the decision-making process. It is this Council's belief that the spirit of the legislation is to assist businesses and amenities, which contribute significantly to the quality of life of the people who have their main home in the Rural Settlement.
- C.5 To be successful for consideration, a business must show that its existence is a significant benefit to the local community with the majority of local residents directly benefiting from services or facilities provided by that business

Rural Rate Relief – the Council's Policy for granting discretionary relief.

- C.6 The Council will also consider applications for a discretionary rural rate relief from all ratepayers, not entitled to mandatory relief.
- C.7 In determining the application the following matters will be taken in to consideration:
- The granting of any discretionary relief will be essential in ensuring the viability of any business within the rural settlement;
 - The granting of any discretionary relief is proportionate given the level of any business rates charged compared with the overall turnover of the business;
 - The granting of any discretionary relief will assist the business in continuing to be viable and / or prevent the business from failing;
 - The business is considered by the Council to be essential and that any reduction or withdrawal of the business will have a serious detrimental effect on the rural settlement; and
 - The granting of any discretionary relief is reasonable having regard to the effect on taxpayers of the Island.

Appendix D

Discretionary Relief – Localism Act 2011

Discretionary Relief – Localism Act 2011

General explanation

- D.1 Section 69 of the Localism Act 2011 amended Section 47 of the Local Government Finance Act 1988. These provisions allow all Councils to grant discretionary relief in **any** circumstances where it feels fit having regards to the effect on the Council Tax payers of its area.
- D.2 The provisions are designed to give authorities flexibility in granting relief where it is felt that to do so would be of benefit generally to the area and be reasonable given the financial effect to Council Tax payers.

Discretionary Relief – Localism – the Council’s Policy

- D.3 Applications will be considered from any ratepayer who wishes to apply however, where a ratepayer is suffering hardship or severe difficulties in paying their rates liability then relief can be granted under the existing provisions as laid down by Section 49 of the Local Government Finance Act 1988. There will be no requirement to grant relief in such cases under the Council’s discretionary relief policy.
- D.4 Any ratepayer applying for discretionary rate relief under these provisions and who does not meet the criteria for existing relief (charities, non-profit making organisations or rural premises) must meet **all** of the following criteria and the amount of relief granted will be dependent on the following key factors:
- (a) The ratepayer **must not** be entitled to mandatory rate relief (Charity or Rural Rate Relief);
 - (b) The ratepayer **must not** be an organisation that could receive relief as a non-profit making organisation or as a sports club or similar;
 - (c) The ratepayer **must** occupy the premises (no discretionary rate relief will be granted for unoccupied premises);
 - (d) The premises and organisation **must** be of *significant* benefit to residents of the Island;
 - (e) The premises and organisation **must** relieve the Council of providing similar facilities;
 - (f) The ratepayer **must**;
 - (i) Provide facilities to certain priority groups such as elderly, disabled, minority groups, disadvantaged groups; **or**
 - (ii) Provide *significant* employment or employment opportunities to residents of the Island; **or**
 - (iii) Provide the residents of the area with such services, opportunities or facilities that cannot be obtained locally or are not provided locally by another organisation;
 - (g) The ratepayer **must** demonstrate that assistance (provided by the discretionary rate relief) will be for a *short time only* **and** that any business / operation is financially viable in the medium and long term; **and**

(h) The ratepayer **must** show that the activities of the organisation are consistent with the Council's core values and priorities.

D.5 Where a ratepayer can demonstrate that **all** the above criteria are met, relief will be considered for initially a short period.

Appendix E
Supporting Small Businesses Relief
(1 April 2023 to 31 March 2026)

General Explanation

- E.1 For 2023/24 to 2025/26, the Government will, in line with the eligibility criteria set out below, reimburse the Council if it uses its discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended), to grant 2023 Supporting Small Business relief.
- E.2 It will be for the Council, which administers the 2023 Supporting Small Business relief, to adopt a local scheme and determine in each individual case when, having regard to this guidance, to grant relief under section 47.
- E.3 Central government will reimburse billing authorities and major precepting authorities for the actual cost to them under the rates retention scheme of the 2023 Supporting Small Business relief that falls within the definitions in this guidance.

Who is eligible for the 2023 Supporting Small Business Relief and how much relief will be available?

- E.4 2023 SSBR will help those ratepayers who as a result of the change in their rateable value at the revaluation are losing some or all of their Small Business, Rural Rate Relief or 2017 SSBR and, as a result, are facing large increases in their bills. Charities and Community Amateur Sports Clubs, who are already entitled to mandatory 80% relief, are not eligible for 2023 SSBR.
- E.5 To support these ratepayers, 2023 SSBR will ensure that the increase in the bills of these ratepayers is limited to a cash value of £600 per year. This cash maximum increase ensures that ratepayers do not face large bill increases in 2023/24 after transitional relief and small business rate relief (as applicable) have been applied. In order to simplify the scheme, the 2023 SSBR will not include minimum percentage bill increases (unlike the 2017 scheme).
- E.6 Those on 2023 SSBR whose 2023 rateable values are £51,000 or more will not be liable to pay the supplement (1.3p) to fund small business rate relief while they are eligible for 2023 SSBR.
- E.7 The 2017 SSBR scheme was provided to support small and medium ratepayers who had seen large increases in their bills at the 2017 revaluation. They have, therefore, had 6 years of support to allow them to adjust to their full 2017 bills. Therefore, for those ratepayers receiving 2017 SSB relief in 2022/23, any eligibility for 2023 SSBR will end on 31 March 2024.
- E.8 The Council will ensure this eligibility criteria is clear in the scheme approved and that relief for these ratepayers is awarded for one year only so that the relief can then be withdrawn on 31 March 2024 without further notice.

- E.9 A change of ratepayers will not affect eligibility for the Supporting Small Business scheme but eligibility will be lost if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club.
- E.10 There is no second property test for eligibility for the 2023 SSBR scheme. However, those ratepayers who during 2022/23 lost entitlement to Small Business Rate Relief (because they failed the second property test) but have, under the rules for Small Business Rate Relief, been given a 12 month period of grace before their relief ended - can continue on the 2023 SSBR scheme for the remainder of their 12 month period of grace.

Sequence of reliefs

- E.11 Hereditaments eligible for charity or Community Amateur Sports Club relief or hereditaments which are unoccupied are not eligible for 2023 SSBR. And, for the avoidance of doubt, small business rate relief or rural rate relief should not be applied to further reduce the bill found under 2023 SSBR (to avoid the double counting of relief – see the detailed rules in section 2). For example:
- a ratepayer eligible for Small Business Rate Relief whose rateable value has increased from £3,000 (paying £0 in 2022/23) to £14,000 would be paying the following in 2023/24 before 2023 SSBR:

Bill before reliefs:	£6,986
Bill after transitional relief:	£1,572
Bill after Small Business Rate Relief (@1/3)	£1,048

- After 2023 SSBR the bill for 2023/24 would be reduced to £600. No further Small Business Rate Relief should be applied to the £600 bill.
- E.12 The same principle applies to properties for which a Section 44A certificate has been granted (apportionment of rateable values for partly occupied properties). The presence of a section 44A certificate should not further reduce the bill found under 2023 SSBR.
- E.13 All other discretionary reliefs, including those funded by section 31 grants, should be considered after the application of 2023 SSBR.

Subsidy control

- E.14 The 2023 SSBR is likely to amount to a subsidy. Therefore, any relief provided by the Council under this scheme will need to comply with the UK's domestic and international subsidy control obligations.
- E.15 To the extent that the Council is seeking to provide relief that falls below the Minimal Financial Assistance (MFA) thresholds, the Subsidy Control Act allows an economic actor (e.g., a holding company and its subsidiaries) to receive up to

£315,000 in a three-year period (consisting of the 2023/24 year and the two previous financial years). MFA subsidies cumulate with each other and with other subsidies that fall within the category of 'Minimal or SPEI financial assistance'. BEIS COVID-19 business grants and any other subsidies claimed under the Small Amounts of Financial Assistance limit of the Trade and Cooperation Agreement should be counted under the £315,000 allowance.

- E.16 In those cases where it is clear to the Council that the ratepayer is likely to breach the MFA limit then the Council will withhold the relief. Otherwise, the Council may include the relief in bills and ask the ratepayers, on a self-assessment basis, to inform the Council if they are in breach of the MFA limit.
- E.17 MFA subsidies above £100,000 are subject to transparency requirements. This is not cumulated per beneficiary but applies per subsidy award. This means that for every individual subsidy provided of more than £100,000, the Council will include details of the subsidy on the subsidy control database.

Recalculations of reliefs

- E.18 As with other reliefs, the amount of SSBR awarded should be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or to the hereditament. This change of circumstances could arise during the year in question or during a later year.
- E.19 Under regulations made under section 47 of the Local Government Finance Act 1988 authorities must give at least 12 months' notice of a revocation or variation of a rate relief scheme the effect of which would be to increase rate bills. Such a revocation or variation can only take effect at the end of a financial year (other than to comply with international agreements). But within these regulations, the Council may still make decisions which are conditional upon eligibility criteria. If a change in circumstances renders a property ineligible, the relevant bill can be amended in the year to reflect the loss of the relief.
- E.20 Therefore, when making an award for SSBR, the Council will ensure the conditions of the award that the relief are subject to the property's continuing eligibility. If the use of the property changes so that it is no longer eligible, the relevant chargeable amount must be recalculated to reflect that fact.
- E.21 The Council will also ensure that the scheme provides that eligibility for those ratepayers previously in the 2017 SSBR scheme in 2022/23 are eligible for one year of relief only and that the relief will then be withdrawn from those ratepayers on 31 March 2024 without further notice.

Supporting Small Business Rates Relief - the Council's policy for granting discretionary relief.

- E.22 The Council has decided to grant relief strictly in accordance with Central Government guidelines.

Appendix F
Retail Hospitality and Leisure Business Rates Scheme
(2025/26)

General Explanation

- F.1 The 2025/26 Retail, Hospitality and Leisure Business Rates Relief scheme will provide eligible, occupied, retail, hospitality, and leisure properties with a 40% relief, up to a cash cap limit of £110,000 per business.

How will the relief be provided?

- F.2 As this is a temporary measure for 2025/26, Government is not changing the legislation relating to the reliefs available to properties. Instead, Government will, in line with the eligibility criteria set out in this guidance, reimburse the Council if it uses its discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended) to grant relief. It will be for the Council to adopt a local scheme and determine in each individual case when, having regard to this guidance, to grant relief under section 47.
- F.3 Government will fully reimburse the Council and major precepting authorities for their loss of income under the rates retention scheme as a result of awarding the relief that falls within the definitions in this guidance, using a grant under section 31 of the Local Government Act 2003.
- F.4 The government expects the Council to apply and grant relief to qualifying ratepayers from the start of the 2025/26 billing year.

Which properties will benefit from relief?

- F.5 Hereditaments which benefit from the relief will be those which for a chargeable day in 2025/26:
- (a) meet the eligibility criteria; and
 - (b) the ratepayer for that chargeable day has not refused the relief for the eligible hereditament.
- F.6 The Council has decided that, for the purposes of section 47 of the 1988 Act, hereditaments where the ratepayer has refused the relief are outside of the scheme and outside of the scope of the decision of which hereditaments qualify for the discount and are therefore ineligible for the relief.
- F.7 In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, the Council may not grant the discount to themselves or precepting authorities

How much relief will be available?

- F.8 Subject to the £110,000 cash cap per business, the total amount of government-funded relief available for each property for 2025/26 under this scheme is:
- (a) For chargeable days from 1 April 2025 to 31 March 2026, 40% of the chargeable amount.
- F.9 The relief will be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, but before those where the Council has used its wider discretionary relief powers introduced by the Localism Act 2011, which are not funded by section 31 grants. However, as required in the NNDR guidance notes, the former categories of discretionary relief available prior to the Localism Act 2011 (i.e., charitable/CASC/rural etc. top up and not for profit) should be applied first in the sequence of discretionary reliefs and, therefore, before Retail, Hospitality and Leisure relief. Authorities may use their discretionary powers to, at cost to themselves, offer further discounts outside this scheme or additional relief to hereditaments within the scheme. However, where an authority applies a locally funded relief under section 47, this should be applied after the Retail, Hospitality and Leisure relief.
- F.10 The ordering will be applied in following sequence:
- Transitional Relief
 - Mandatory Reliefs (as determined in legislation)
 - S.47 Discretionary Relief in the following order:
 - (i) 2023 Supporting Small Business (SSB)
 - (ii) Former categories of discretionary relief available prior to the Localism Act 2011 (i.e., charitable, CASC and rural top up, not for profit) should be applied first in the sequence of discretionary reliefs, after SSB;
 - (iii) Other discretionary (centrally funded) including, Freeport relief;
 - (iv) 2025/26 Retail Hospitality and Leisure relief scheme; and
 - (v) Other locally funded schemes (such as hardship)
- F.11 Subject to the cash cap, the eligibility for the discount and the relief itself will be assessed and calculated on a daily basis. The following formula should be used to determine the amount of relief to be granted for a chargeable day for a particular hereditament in the financial year 2025/26:
- Amount of relief to be granted = $V \times 0.40$ where:
 - V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any certain other discretionary reliefs in line with the guidance in paragraph 15 above.
- F.12 This will be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.
- F.13 Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties up to the maximum £110,000 cash cap, per business.

The Cash Cap and Subsidy Control

- F.14 Under the cash cap, no ratepayer can in any circumstances exceed the £110,000 cash cap across all of their hereditaments in England.
- F.15 Where a ratepayer has a qualifying connection with another ratepayer then those ratepayers should be considered as one ratepayer for the purposes of the cash caps. A ratepayer shall be treated as having a qualifying connection with another:
- (a) where both ratepayers are companies, and
 - (i) one is a subsidiary of the other, or
 - (ii) both are subsidiaries of the same company; or
 - (b) where only one ratepayer is a company, the other ratepayer (the “second ratepayer”) has such an interest in that company as would, if the second ratepayer were a company, result in its being the holding company of the other.
- F.16 Furthermore, the Retail Hospitality and Leisure Scheme is likely to amount to subsidy. Any relief provided by the Council under this scheme will need to comply with the UK’s domestic and international subsidy control obligations.
- F.17 To the extent that the Council is seeking to provide relief that falls below the Minimal Financial Assistance (MFA) thresholds, the Subsidy Control Act allows an economic actor (e.g., a holding company and its subsidiaries) to receive up to £315,000 in a 3-year period (consisting of the 2025/26 year and the 2 previous financial years). MFA subsidies cumulate with each other and with other subsidies that fall within the category of ‘Minimal or SPEI financial assistance’.
- F.18 In those cases where it is clear to the Council that the ratepayer is likely to breach the cash cap or the MFA limit then the Council will automatically withhold the relief.
- F.19 MFA subsidies above £100,000 are subject to transparency requirements. This is not cumulated per beneficiary but applies per subsidy award. This means that for every individual subsidy provided of more than £100,000, the Council will include details of the subsidy on the subsidy control database.

Splits, mergers, and changes to existing hereditaments

- F.20 The relief will be applied on a day-to-day basis using the formula set out above. A new hereditament created as a result of a split or merger during the financial year, or where there is a change of use, should be considered afresh for the relief on that day.

Recalculations of relief

- F.21 The amount of relief awarded should be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or the hereditament. This change of circumstances could arise during the year in question or during a later year.

Eligibility for the Retail, Hospitality and Leisure Relief Scheme

F.22 Hereditaments that meet the eligibility for Retail, Hospitality and Leisure scheme will be occupied hereditaments which meet all of the following conditions for the chargeable day:

- (a) they are wholly or mainly being used:
- (i) as shops, restaurants, cafes, drinking establishments, cinemas, or live music venues,
 - (ii) for assembly and leisure; or
 - (iii) as hotels, guest & boarding premises, or self-catering accommodation

The Council considers shops, restaurants, cafes, drinking establishments, cinemas, and live music venues to mean:

i. Hereditaments that are being used for the sale of goods to visiting members of the public:

- Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc)
- Charity shops
- Opticians
- Post offices
- Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
- Car/caravan show rooms
- Second-hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)

ii. Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops, etc)
- Shoe repairs/key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/TV/domestic appliance repair
- Funeral directors
- Photo processing
- Tool hire
- Car hire

iii. Hereditaments that are being used for the sale of food and/or drink to visiting members of the public:

- Restaurants
- Takeaways
- Sandwich shops

- Coffee shops
- Pubs
- Bars

iv. Hereditaments which are being used as cinemas

v. Hereditaments that are being used as live music venues:

- Live music venues are hereditaments wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Hereditaments cannot be considered a live music venue for the purpose of business rates relief where a venue is wholly or mainly used as a nightclub or a theatre, for the purposes of the Town and Country Planning (Use Classes) Order 1987 (as amended).
- Hereditaments can be a live music venue even if used for other activities, but only if those other activities (i) are merely ancillary or incidental to the performance of live music (e.g., the sale/supply of alcohol to audience members) or (ii) do not affect the fact that the primary activity for the premises is the performance of live music (e.g. because those other activities are insufficiently regular or frequent, such as a polling station or a fortnightly community event).
- There may be circumstances in which it is difficult to tell whether an activity is a performance of live music or, instead, the playing of recorded music. We consider assembly and leisure to mean:

i. Hereditaments that are being used for the provision of sport, leisure and facilities to visiting members of the public (including for the viewing of such activities).

- Sports grounds and clubs
- Museums and art galleries
- Nightclubs
- Sport and leisure facilities
- Stately homes and historic houses
- Theatres
- Tourist attractions
- Gyms
- Wellness centres, spas, massage parlours
- Casinos, gambling clubs and bingo halls

ii. Hereditaments that are being used for the assembly of visiting members of the public.

- Public halls
- Clubhouses, clubs, and institutions

F.23 The Council considers hotels, guest & boarding premises, and self-catering accommodation to mean:

i. Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business:

- Hotels, Guest, and Boarding Houses
- Holiday homes
- Caravan parks and sites

F.24 To qualify for the relief the hereditament should be wholly or mainly being used for the above qualifying purposes. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, hereditaments which

are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

F.25 The list set out above is not intended to be exhaustive as it would be impossible to list the many and varied uses that exist within the qualifying purposes.

F.26 The list below sets out the types of uses that the government does not consider to be an eligible use for the purpose of this discount. Again, it is for the Council to determine for themselves whether particular properties are broadly similar in nature to those below and, if so, to consider them not eligible for the discount under their local scheme.

Hereditaments that are being used for the provision of the following services to visiting members of the public

- Financial services (e.g., banks, building societies, cash points, bureaux de change, short-term loan providers, betting shops)
- Medical services (e.g., vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g., solicitors, accountants, insurance agents/ financial advisers, employment agencies, estate agents, letting agents)
- Post office sorting offices

Appendix G
Hardship Relief – S49 Reduction of remission of rate liability.

Section 49 – Hardship Relief

General explanation

G.1 The Council is able to exercise its discretion under Section 49 of the Local Government Finance Act 1988 to provide either partial or full relief for non-domestic rate payments in cases of hardship where it would be reasonable to do so having due regard to the interests of council tax payers in general.

Section 49 Hardship Relief – the Council’s Policy

G.2 The Council will consider applications for hardship relief from individuals and organisations based on their own merits on a case-by-case basis. The Director of Corporate Services will consider applications. Application forms are available from the Council.

G.3 In making decisions on whether to award the relief the Council considers the following criteria (not listed in any priority):

- Any reduction or remission of rates on the grounds of hardship should be made after applying for any other statutory or discretionary reliefs that are available;
- Hardship relief will be considered the exception rather than the rule;
- Any reduction of the rates must be shown to be significant to the future viability of the business;
- The business must continue to trade;
- Cash flow forecasts for a minimum of the next twelve months must be provided together with a comprehensive Business Plan incorporating a brief history of the business. Further details of information to be supplied are also given below;
- The test of "hardship" is not strictly confined to financial hardship and that this, in itself, is not a deciding factor;
- The loss of the business would reduce amenities of an area or the Island in general, if it is the sole provider of a service in the area;
- The loss of the business would worsen the employment prospects in the area or of the Island in general;
- The interests of the Council Tax payers of the area would be best served by awarding the relief (as required by Section 49 of the Local Government Finance Act 1988);
- The business must demonstrate how it is beneficial to the local community or the Island in general and why it is currently suffering financial hardship;
- The business provides employment to local residents in an area, or to the Island in general, where employment opportunities are limited;
- Independent advice given by banks or financial advisors should be sought to demonstrate the future viability of the business;
- The ratepayer will provide additional information as deemed necessary by the Council to be essential in order for a fair evaluation of the application; and
- The amount of relief awarded may be reviewed in year and may be revised depending on the individual circumstances, appeals and reductions in rateable value.

Applications and Decision Making

- G.4 Hardship relief is intended to provide short term assistance to a business suffering unexpected hardship, financial, or otherwise, arising because of exceptional circumstances or short-term crisis beyond the business' control and outside of the normal risks associated with running a business of that type, to the extent that the viability of the business would be threatened if an award were not made. As the Hardship Relief scheme covers unforeseen events, it is not possible to offer precise definitions. However, a 'crisis' would have to result in a serious loss of trade or have a major effect on the services that can be provided.
- G.5 'Exceptional circumstances' will usually be circumstances that came from outside the business or organisation and are beyond the normal risks faced by businesses and cannot be foreseen or avoided. The effect of strikes within a business or organisation, increased running costs and increased competition would not be considered as 'exceptional circumstances' as they are normal business risks.
- G.6 Applications to reduce or remit the business rate charge will only be considered where the Council is satisfied that the ratepayer would otherwise sustain hardship if no award was made and that it is reasonable to grant relief having regard to the interest of council tax payers who are affected by decisions under this section.
- G.7 Applications for hardship will be examined on a case by case basis by the Director of Corporate Services and each application will be assessed on its individual merits. Other issues or requirements will also be considered in relation to the application as they arise including:
- All applications should be made in writing from the ratepayer, their advocate/appointee or a recognised third party acting on their behalf, preferably using the relevant form, and should contain the necessary information to substantiate the request;
 - All applications are only intended as short-term assistance and will not extend beyond the current financial year, and should not be considered as a way of reducing rate liability indefinitely;
 - The financial interests of the council tax payers will not be the sole overriding factor e.g., the impact on employment and amenities provision will also be considered;
 - The test of 'hardship' is not confined strictly to financial hardship - all relevant factors affecting the ability of a business to meet its liability for rates are considered where readily available. Where the granting of relief will have an adverse effect on the financial interests of the council tax payers, relief may still be granted if the case for relief on balance outweighs the costs to taxpayers; and
 - The test of hardship will include an assessment of the ratepayer's individual accounts to verify that the payment of rates would cause hardship.
- G.8 Upon receipt of a written application, all supporting information must be included for consideration.
- G.9 An application will need to be submitted to the business rates section who will undertake the initial first stage assessment to confirm it is valid. They will produce

an overall decision sheet and submit it to the Director of Corporate Services. The Director of Corporate Services will review the application and supporting details and provide a recommendation of award date and amount to the Director of Finance. The Director of Corporate Services has authorisation up to a limit of £2,000 per financial year and with a maximum of £6000; any reductions over this amount will be referred to the Director of Finance or Assistant Director of Finance for any award over £6000 for consideration.

- G.10 Once a decision has been approved the ratepayer will be advised in writing of the decision.

Review of Decision

- G.11 Under the Local Government Finance Act 1988, there is no right of appeal against the Council's use of discretionary powers. However, on individual applications, the Council will accept a request from a ratepayer for a re-determination of its decision. The Council will consider whether the ratepayer has provided any additional information that will justify a change to its original decision.
- G.12 The Council will notify the ratepayer of its decision within 21 days of receiving a request for a redetermination.

Award of Relief and Period of the award

- G.13 Relief will normally only be awarded retrospectively. However, where the ratepayer can show that the circumstances will remain the same for a period up to the end of the current financial year, relief may be award for the remainder of the year.
- H.14 Hardship Relief would not be granted in respect of an empty property or where there is little expectation of economic survival.
- G.15 It is expected that businesses should have taken prompt action to mitigate any factors giving rise to hardship. Examples of mitigating actions may include seeking business advice; discounts and promotions; reviewing pricing; extending the range of stock or services; and negotiating with creditors etc. Applications may be declined in circumstances where the business is unable to demonstrate that it is taking reasonable steps to alleviate the hardship.
- G.16 In all cases relief will end in the following circumstances:
- At the end of a financial year;
 - A change of ratepayer;
 - The property becomes empty, partly empty or is used for a different purpose;
 - The ratepayer enters any form of formal insolvency; or
 - The ratepayer's financial circumstances significantly change.
- G.17 The ratepayer must inform the Council if their circumstances change. Circumstances may also be reviewed by the Council periodically where awards are made to confirm hardship persists.