



Boston Borough Council

HARDSHIP RELIEF POLICY

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Author: Credit Control Manager
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Responsibility for this scheme on behalf of Boston Borough Council lies with the Section 151 Officer.

Officer responsibility for the day to day running of the scheme lies with the Credit Control Manager.

1. Background

Section 49 of the Local Government Finance Act 1988 provides the Council with the discretion to reduce or remit in full payment of Non Domestic Rates on the grounds that the occupier of a non-domestic property is experiencing financial hardship caused by the business rates liability. Hardship Rate Relief may be considered for both occupied and unoccupied properties.

2. Purpose

The purpose of this document is to specify how the Council will operate the Hardship Rate Relief scheme and to indicate the factors that will be considered when deciding whether to make an award. The Council aims to treat all ratepayers equally when administering the scheme.

3. Objectives

Boston Borough Council will make awards of Hardship Rate Relief to ratepayers who meet the qualifying criteria as specified in this policy.

The Council will treat all applications on their individual merits, but will seek through the operation of this policy to meet its current stated corporate objectives.

When deciding whether to make awards the Council will consider which corporate objectives would be met by the award of relief.

4. Qualifying Conditions

Under Section 49 of the Local Government Finance Act 1988, Boston Borough Council can reduce or remit in full payment of the rates where:

- it is satisfied that the ratepayer would sustain hardship if it did not do so; **and**
- it is reasonable for it to do so having regards to its Council Tax payers.

The Council would expect that there would have to be evidence of exceptional, unforeseen circumstances to justify any reduction, and that it will be intended only as short term assistance and must not be considered as a way of reducing Business Rates liability indefinitely.

5. Matters to be considered in making awards

The following points will be taken into account when considering applications for Hardship Rate Relief:-

- Although the council may adopt rules for the consideration of hardship cases, a blanket policy either to give or not to give relief should not be adopted; each case should be considered on its own merits.
- The application process should be kept as simple and streamlined as possible to enable decisions to be made quickly.
- Reduction or remission of rates on the grounds of hardship should be the exception rather than the rule.
- The test of 'hardship' need not be confined strictly to financial hardship. All relevant factors affecting the ability of a business to meet its liability for rates should be taken into account.
- The interests of Council Tax payers in an area may go wider than direct financial interests. For example, where the employment prospects in the area would be worsened by a company going out of business, or the amenities of an area might be reduced, for instance the only provider of a service in the area.
- Where the granting of relief would have an adverse effect on the financial interests of Council Tax payers, the case for a reduction or remission of rates payable may still on balance outweigh the cost to Council Tax payers.
- Hardship Rate Relief constitutes state aid which may need to be notified to the European Commission.
- The hardship caused to a ratepayer may be self-evident, for example where a business has been affected by severe loss of trade due to external factors such as natural disasters.

- The Council may, however, wish to consider how the business can demonstrate such loss of trade or business. For example, accounts, order books, till receipt or VAT returns may show a marked decline in trade compared to corresponding periods in previous years.
- The Council should be clear in awarding relief that it will be granted only for the period which there is clear evidence of hardship for the ratepayer concerned.
- The Council should be clear on expected outcome from any award of relief.
- To guard against fraudulent claims, the Council should be satisfied that the claim is from a ratepayer suffering genuine hardship.

6. Financial Implications

The implications of granting Hardship Rate Relief are set out below: -

Type of Relief	Maximum Relief	Cost to Central Government	Cost to Lincolnshire County Council	Cost to Boston Borough Council
Hardship Up to 31.03.18	Up to 100%	50%	10%	40%
Hardship With effect from 01.04.18	Up to 100%	0%	40%	60%

Boston Borough Council has to take into account the interests of its Council Tax payers and residents as up to 60% of any Hardship Rate Relief granted impacts on the Borough's resources by reducing spending funded by local Council Tax payers.

7. Applying for Hardship Rate Relief

Business Rates payments remain legally due and payable in accordance with the most recent bill until such a time that any relief is awarded.

In order to claim Hardship Rate Relief, the ratepayer must provide the Council with all of the information necessary to consider the application. Application forms are available from the Business Rates Section.

Applications will need to be supported by: -

- Details of the reason for an application, including evidence of any exceptional or unforeseen circumstances
- Details of the business and its importance to the local community
- Copies of the last 2 years audited accounts
- Nature of the hardship
- Information and/or evidence of how an award of relief will enable the business to sustain future business rates liability.
- Other evidence that the ratepayer feels supports their application.

8. Period and Amount of Award

Hardship Rate Relief can commence when the ratepayer meets the conditions stated above. Relief will only be time limited. Any reduction will be short term assistance and should not be considered to be a means of reducing rates liability in the longer term.

9. Administering Applications and Making Awards of Hardship Rate Relief

The Section 151 Officer will undertake the administration of applications for Hardship Rate Relief and in their absence the Deputy Section 151 Officer. The Section 151 Officer will decide whether to award Hardship Rate Relief and what amount should be granted.

Where audited accounts are given as evidence to support applications these may be assessed by our Financial Services Section prior to a decision being made.

10. Notification

The Council will inform ratepayers of the outcome of the application within 14 days of making a decision about their application for Hardship Rate Relief.

The Council will notify those whose application is unsuccessful;

- The reasons why the Council have decided not to grant an award
- The appeals process

The Council will notify those whose application is successful;

- The amount of rate relief awarded and their revised liability

- The period of the award
- A summary of the reasons for the award
- Any requirement to notify the Council of changes in circumstances that could affect the award.
- The appeals process

The Council will notify those whose application is successful in part;

- Why they are only partly successful
- The amount of rate relief awarded and their revised liability
- The period of the award
- Any requirement to notify the Council of changes in circumstances that could affect the award.
- The appeals process

11. Appeals

Refusal to grant Hardship Rate Relief can be challenged through judicial review in the High Court.

However, in keeping with good customer care, an appeal can be made in the first instance to the Council's Regulatory & Appeals Committee.

Any such appeal must be:

- in writing; and
- specify the reasons why the ratepayers feels the decision is wrong; and
- be made within 4 weeks of the ratepayer being notified of the Council's decision.

The Council reserves the right to refuse to hear appeals that do not meet these criteria.

12. Equalities Statement

Boston Borough Council is committed to equality and fairness. Equality is about ensuring people are treated fairly and given fair chances. It is also about ensuring that people receive fair outcomes in the standard of service they receive from the Council. This incorporates everyone, regardless of their race, gender, age, religion or belief, sexual orientation and/or disability.

We can provide this information in other languages and formats, for example in large print, Braille or on audio cassette. For more information, please contact Boston Borough Council on 01205 314200 or info@boston.gov.uk Alternatively you can write to us at Boston Borough Council, Municipal Buildings, West Street, Boston, Lincolnshire, PE21 8QR.

13. Feedback

We would welcome your comments and views on this Council policy. If you have any comments about the policy please contact the Credit Control Manager.