

Great Yarmouth Borough Council

Non-Domestic Rate Hardship Relief Policy

1.0 Introduction

1.0 The Local Government Finance Act, 1988 gives the Council discretion to remit in full or reduce non-domestic rates on the grounds of hardship.

1.1 Before granting relief the Council must satisfy itself that:

- the ratepayer would sustain hardship if the Council did not give relief
and
- it would be reasonable having regard to the interests of other local taxpayers, given that some of the cost of any relief must be borne by them.

1.2 In addition, relief will normally only be granted if all the following criteria are met:

- The granting of relief would prevent the business facing liquidation, bankruptcy or insolvency.
- There are either social or economic implications for the area if the business ceases (eg loss of a valuable local facility or loss of a substantial number of jobs).
- The hardship situation is seen to be a temporary one and not one likely to be repeated year after year.

2.0 What is hardship?

2.1 There is no statutory definition of hardship.

2.2 The case of R v Liverpool City Council ex parte Windsor Securities Ltd (1978) concerning an application for the remission of empty property rates, gave the following guidance:

“The question whether payment would cause hardship to the ratepayers has to be resolved in the light of common sense having regard to all the circumstances. Hardship is different to poverty. Though poverty is not a precise expression it usually involves extreme financial stringency such that the applicant has some difficulty in meeting the conventional necessities of life. It is not an apt noun to apply to a limited company. Any levy of unoccupied rate will reduce the trading income of a company owning

commercial property, but not every such loss will in all circumstances sensibly be considered hardship.”

2.3 Each case will be considered on its merits.

2.4 The test of hardship will take into account all relevant factors not just financial ones.

2.5 The “interests” of other local taxpayers for an area may go wider than financial interest. Examples are where employment prospects would be worsened with job losses or an important service or amenity would be lost.

2.6 The approval of hardship claims will be the exception rather than the rule being used sparingly for the benefit of either an individual ratepayer or the community.

3.0 Applications

3.1 Under the Council’s constitution decisions in respect of hardship applications are delegated to the Cabinet Member (Resources).

3.2 When considering applications any decision must be balanced against the wider interests of local council taxpayers.

3.3 In order to apply for Hardship Relief a written application must be made with the following supporting evidence:

- Documentary evidence that hardship has occurred in your business e.g. A drop in sales has occurred or a major customer has recently folded leaving a significant debt that is legally non-collectable
- Details of any temporary cash-flow / liquidity problems that have occurred providing documentary evidence of such
- A copy of the company's audited accounts for the past two years
- A copy of the company's most up to date business plan. If the application is from a relatively new business you need to show what provisions you made for the fact that many new businesses take 2-3 years to make a profit.
- A statement explaining what action has been taken to improve your situation.
- Details of any other assistance your company may have received or currently applied for, and in particular assistance to overcome business difficulties
- A statement outlining how an award of rate relief to your business would serve the interests of Council Tax payers in the Great Yarmouth Council area
- A statement outlining the impact on your business should rate relief not be awarded

3.4 Where relief is granted, the amount will depend upon the particular circumstances of each case.

3.5 Relief will be granted for a specific period and may be reviewed and where appropriate withdrawn if circumstances change.

3.6 The purpose of this policy is to support local businesses in the community as appropriate.

4.0 Cost

4.1 The cost of relief is shared between the Council, which meets 25% and the government which finances 75% via deductions from the amount paid into the national non-domestic rating pool.

Policy reviewed and approved by Councillor S Ames, Cabinet Member (Resources):

.....

Date: 8th February 2010