

Havant Borough Council

Business Rates – Discretionary Rate Relief (August 2022)

This scheme is to ensure that Havant Borough Council apply business rates relief in a fair, transparent and consistent manner in compliance with relevant government legislation and guidance.

There are three distinct categories of discretionary relief:

- Rates Relief for Charitable Organisations, Community Amateur Sports Clubs (CASC), and not for profit organisations;
- Rural Rate Relief and
- Hardship Relief.

Discretionary Business Rate Relief for: Charitable Organisations, Community Amateur Sports Clubs (CASC), not for profit organisations.

Group 1:

Sports and Leisure Centres (including the Borough of Havant Sport and Leisure Trust)

If an organisation receives the 80% mandatory relief – 20% discretionary business rates relief will be automatically applied (depending on the organisation's financial position)

If no mandatory relief is in place – the council can award **up to 75%** discretionary Business Rates Relief, subject to a review of the organisation's financial position. Decisions in such cases, which have to be approved by the Portfolio Holder for Finance in consultation with the Section 151 Officer, will give regard to the contribution that the organisation makes towards the Council's Strategic priorities

Group 2:

Community Centres, which will include:

- Havant voluntary infrastructure organisation,
- Havant Borough based sports and social clubs,
- food banks,
- independent museums,
- arts centres,
- youth clubs,
- lifeboat stations and
- scout, guide, and cadet headquarters

(except where premises are used wholly or mainly for trading for profit by an outside organisation or individual).

If an organisation receives the 80% mandatory relief – 20% discretionary business rates relief will be automatically applied (depending on the organisation's financial position)

If no mandatory relief is in place – the council can award **up to 75%** discretionary Business Rates Relief, subject to a review of the organisation's financial position. Decisions in such cases, which have to be approved by the Portfolio Holder for Finance in consultation with the Section 151 Officer, will give regard to the contribution that the organisation makes towards the Council's Strategic priorities

Group 3:

Amateur Dramatic clubs, any other such local clubs and organisations whose main objects fall into one or more of the following categories:

- religious,
- social welfare,
- education (excluding schools, colleges, educational establishments etc),
- science,
- literature,
- fine arts and recreation.

Up to 75% discretionary relief can be applied, depending on the organisation's financial position. Decisions in such cases, which have to be approved by the Portfolio Holder for Finance in consultation with the Section 151 Officer, will give regard to the contribution that the organisation makes towards the Council's Strategic priorities

Group 4:

No discretionary relief will be applied to any other organisation regardless of whether or not in receipt of mandatory relief.

The primary purpose of rate relief is to support and promote economic, sports and recreational activity in the area. National, and regional, charity organisations will not, as a rule, be granted discretionary rate relief over and above their mandatory allocation.

Discretionary Business Rate Relief applied with Rural Rate Relief

There are very few organisations in the Borough that attract the government's mandatory 50% Rural Rates Relief. However, organisations that do qualify, and receive, this will automatically be granted 50% Discretionary Rates Relief.

Hardship Rate Relief

In exceptional circumstances, we can give hardship relief to a ratepayer in difficulty. Hardship relief is a discount on the rates payable for a specific period. It's a discretionary relief, which means it's not guaranteed.

Appendix A

Hardship relief can apply if a business is suffering unexpected hardship (financial or otherwise) under the following:

- the circumstances leading to the hardship are both beyond the control of the business and outside of the normal risks associated with running a business
- the difficulties are temporary, and the business has a good chance of being viable in the long term
- the business might fail if we don't give hardship relief
- granting hardship relief is in the interest of local people

Ratepayers will need to show that they are taking reasonable steps to help their own recovery. This might mean, for example, getting business advice, reducing overheads, reviewing pricing, offering discounts, extending the range of stock or services, or negotiating with creditors.

Hardship relief can't be applied for establishing a new business unless the viability of the business is threatened by events that couldn't reasonably have been foreseen.

Up to 100% Discretionary Hardship Relief can be applied, depending on the organisation's financial position. Decisions to be approved by the Portfolio Holder for Finance in consultation with the Section 151 Officer.