

London Borough of Sutton

NATIONAL NON-DOMESTIC RATES - HARDSHIP RELIEF



EXPLANATORY NOTES - Please read these notes before completing the application form. These notes are intended to give guidance about hardship relief but should not be regarded as a complete guide to the law.

1. What is hardship relief?

Section 49 of the Local Government Finance Act 1988 gives the Council a discretionary power to reduce or remit the payment of rates by granting hardship relief. The principle purpose of an award of hardship relief is to provide short-term assistance to businesses that are suffering unexpected hardship, arising from circumstances beyond the businesses 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.

2. What are the general qualifying criteria?

By law rate relief on the grounds of hardship *may* only be awarded where the Council considers that two conditions are satisfied:

- (i) The ratepayer would sustain hardship if the Council failed to grant the relief; and
- (ii) It is reasonable to grant the relief having regard to the interests of persons liable to pay council tax set by it.

It is important to note that even if these two conditions are satisfied, it does not automatically follow that hardship relief will be granted. The Council's decision to grant hardship rate relief is a discretionary one. Countervailing factors such as resource implications for the Council may also be relevant considerations on the facts of any particular application. The requirement of "hardship" need not be confined strictly to financial hardship and applicants should disclose all relevant factors affecting the ability of the business to meet its rate liability. A business will not be considered to be suffering financial hardship in any annual accounting period during which it is profitable or has experienced a loss which is minor in comparison to the overall turnover of the business.

The "interest" of local Council taxpayers may go wider than direct financial interests; for example, where employment prospects in an area would be worsened by a ratepayer going out of business, or the amenities of an area might be reduced by, for instance, the loss of a neighbourhood shop.

3. What are the application requirements?

The following information is required in support of applications for hardship relief in relation to your company/business and any associated companies:-

1. Completed application form
2. Detailed audited accounts or independently verified accounts for the past two years (or in the case of a new business established for less than twelve months, estimates of annual income and expenditure)
3. A copy of your original business plan which includes a brief history of the business
4. A cash flow forecast for a minimum of the next twelve months from date of this application.
5. Copies of your organisation's last three bank statements
6. Any other information that may be required in individual cases.

4. How is hardship relief granted?

Any hardship relief will normally be granted as a percentage of the rates payable for a specific period but will not extend beyond the end of the rating year in which the application is made.

An applicant who is granted hardship relief is entitled to re-apply for hardship relief in subsequent years and in the event of such a re-application the Council may require the ratepayer to provide evidence from an accountant or other professional adviser regarding the long-term financial viability of the business.

5. How are applications for hardship relief determined?

Each application for hardship relief is considered on its individual merits by a relevant council officer coupled with an assessment of the company's financial position.

6. Payment of rates whilst awaiting a decision

The Council aims to determine applications within four weeks of all requested information being provided. The **ratepayer should not withhold payment of any non-domestic rates whilst awaiting the outcome of an application without prior agreement with the Council**. Legal action to enforce payment may be commenced or continued where payment is withheld without agreement.

7. What factors are taken into account when determining an application?

It is expected that businesses will take 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, negotiating with creditors, releasing value of assets etc. Applications may be declined in circumstances where the business is unable to demonstrate that it is taking reasonable steps to alleviate the hardship.

Applications will be viewed more favourably where the minimum criteria of the Council set out in Section 2 is met and the business provides the only goods or services of that type in the local area or where the business is supplying specialist goods or services that are of benefit to the community and are not widely available. Award of hardship rate relief will not be made for the purposes of enabling a new business to become established except where the viability of the business is threatened by events that could not reasonably have been foreseen when establishing the business. Rate relief on the grounds of hardship in respect of rates payable for an unoccupied property will only be awarded in the most exceptional circumstances where there are clear and tangible benefits to local Council taxpayers in making the award.

8. Appeals

An applicant may make a request for a review of the decision but only where either:

- (i) Additional information that is relevant to the application and that was not available at the time the decision was made becomes available; or
- (ii) There are good grounds to believe the application or supporting information was not interpreted correctly at the time the decision was taken.

A request for a review must be made within four weeks of notification of the decision and must set out the reasons for the request and any supporting information. Any review will be considered by a different council officer.

If the decision remains unchanged then you have the right to appeal, which will be heard by a panel formed of Councillors. All decisions are reported to the Housing, Economy and Business Committee. In reporting the outcome to the committee papers and documentation

provided may be disclosed. In some circumstances information provided in connection with an application may also be required to be disclosed under the Freedom of Information Act.

NATIONAL NON-DOMESTIC RATES - APPLICATION FOR HARDSHIP RELIEF

To apply for hardship relief please complete this application form in BLOCK CAPITAL LETTERS. Please return a signed copy of the application form via email to businessrates@sutton.gov.uk or to the Revenues, Civic Offices, St. Nicholas Way, Sutton SM1 1EA, together with copies of the following documents:-

- (i) Detailed audited accounts, and those of any associated companies, or independently verified accounts for the past two years (or in the case of a new business established for less than twelve months, estimates of annual income and expenditure),
- (ii) A copy of your original or latest Business Plan incorporating a brief history of the business
- (iii) A cash flow forecast for a minimum of the next twelve months.
- (iv) Copies of your organisation's last three bank statements
- (v) Any other information that may be required in individual cases.

If you require any assistance in completing this form, please contact the business rate section, on 020 8770 5000 or by email to businessrates@sutton.gov.uk

If there is insufficient space to fully answer any question, please use a separate sheet of paper.

NATIONAL NON DOMESTIC RATE
APPLICATION FOR HARDSHIP RELIEF

<p>1. Name of Ratepayer Address of property on which relief is claimed.</p>	
<p>2. Ratepayer's address (if different to 1).</p>	
<p>3. Please state the period for which relief is claimed and the percentage of relief requested.</p>	
<p>4. What service does the business provide and what area does it serve?</p>	
<p>5. Does the business provide a service to the local community and which is not provided elsewhere in the area?</p>	<p>YES/NO If YES, where is the nearest business providing the same service?</p>
<p>6. Number of persons employed in the business</p>	<p>Full-Time Part Time</p>
<p>7. How many of these employees live in the Sutton Council area?</p>	<p>Full-Time Part Time</p>
<p>8. What factors have led to the business suffering hardship?</p>	
<p>9. What steps or actions have been taken to improve the situation?</p>	
<p>10. What are the consequences for the business if the Council declined to grant some or all of the relief requested?</p>	
<p>11. What are the consequences for the local</p>	

community if the Council declined to grant some or all of the relief requested?	
--	--

I understand that I am not entitled to withhold the payment of rates pending the determination of this application.

Signed Print Name

Position Held in Company (e.g. director, partner, sole trader)

..... Date

Email addressDaytime Telephone Number

DATA PROTECTION – Personal information held for Business Rate purposes will be held and used in accordance with the requirements of the Data Protection Act 1998. To assist the Council in the prevention and detection of fraud so that it can protect the public funds it administers, the Council may use information provided for Business Rate purposes within this Authority for data matching purposes. It may also data match information provided for Business Rate purposes with other public bodies that regulate, administer or are in receipt of public funds for the purposes of the prevention and detection of fraud.