



# **WOKINGHAM BOROUGH COUNCIL**

## **BUSINESS RATES**

### **SECTION 47 RELIEF POLICY STATEMENT**

Effective 1 December 2013

Private: Information that contains a small amount of sensitive data which is essential to communicate with an individual but doesn't require to be sent via secure methods.

# Section 47 Business Rates Relief

## 1. Introduction

### National Picture

Section 47 of the Local Government Finance Act 1988 has been amended by the Localism Act 2011 to give Council's the power to give a discretionary discount on business rates. The discount may be awarded to any property or business of the Councils choosing. This can be on any building type, size, location, function, in support of a regeneration policy etc. The discount can apply to an individual account or a group of accounts for a similar business type or facing a similar issue.

### Local Picture

There is a financial implication to awarding discounts under Section 47 as the Council has to fund all awards without Government support, thereby having a direct impact on taxpayers of the Borough.

### Business Rates Reduction due to Local Disruption

You may be concerned your premises are affected by local disruption and this is affecting your trade and ability to pay your business rates.

Before you consider applying to Wokingham Borough Council for a Section 47 discount you may be able to get a temporary reduction in your business rates if your premises are affected by severe local disruption (like flooding, building or roadworks).

This can be done by making an appeal to the Valuation Office Agency against the rateable value, as there may have been a change in the surrounding area since the rateable value was set.

Guidance on how to use a business rates valuation account to report changes to your business property or if you think your rateable value is too high is available at <https://www.gov.uk/guidance/how-to-check-your-rateable-value-is-correct>

## 2. Statement of Objectives

Wokingham Borough Council recognises that it must be able to respond flexibly to the needs of business taxpayers within the borough if it wants to support strong and sustainable local communities with a vibrant business sector.

Section 47 discount awards will be used to help mitigate the escalation of needs that arise from unforeseen or exceptional circumstances that threaten taxpayer's abilities to fund the cost of business rates and may threaten their ability to remain trading.

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Given that the cost of any awards will fall to be met by the Borough taxpayers, any applications must meet the underlying principle of offering value for money to Council Tax payers. This will be achieved by asking for a range of information to support each application as laid out below.

From time to time Government may introduce a specific scheme in response to an event such as a natural disaster (e.g. flooding). Where such schemes are introduced, funding is normally fully met by Government without impact on the local council tax. Any such schemes that are introduced, in so far as they fall to be administered under Section 47 of The Local Government Finance Act 1992, will be administered in accordance with instructions and guidance set out by Government.

### **3. Policy**

#### **3.1 Section 47 Scheme**

The Council will consider making a Section 47 award to applicants who meet the qualifying criteria, as specified in this policy, providing sufficient funding for this purpose is available at the time of the Council's decision. All applications will be considered on their individual merits.

#### **3.2 Applying for a Section 47 Discount Award**

The features of the Wokingham Borough Council Section 47 Scheme are that:

- it is discretionary;
- an applicant does not have a statutory right to a payment;
- the total expenditure in any one year resulting from awards under this Scheme will not exceed the value of the funding allocated for the purpose in that financial year;
- the operation of the scheme is for the Council to determine;
- the Council may choose to vary the way in which funds are allocated according to community needs and available funds;
- other than the normal appeal against the application of a discretionary function by Judicial Review, there is no right to a statutory appeal of any application decision. In the interests of fairness the Council will operate an internal review procedure for appeals in a non-discriminatory way.

Where a scheme relates to a Government Scheme, as referenced under Section 2 above, the features of the scheme will be as defined by Government or, where local discretion is allowed, as defined by the Council for that specific instance.

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### 3.3 Applying for a Section 47 Award

In order for an application to be considered, please visit [www.wokingham.gov.uk/business-and-licensing/business-and-growth/business-rate-relief-and-reductions](http://www.wokingham.gov.uk/business-and-licensing/business-and-growth/business-rate-relief-and-reductions) to complete an online application where you will be required to provide supporting documentation.

Each application shall include the following information:

1. What level of discount is being requested (i.e. is this for the full year's Business Rates or part of it);
2. What is the reason for the request (i.e. why is the discount wanted);
3. How long is the discount wanted for (i.e. the full financial year, part of financial year or some other period of time);
4. What steps have been taken to meet or mitigate the Business Rates liability (i.e. any other discounts or reductions awarded);
5. How granting the discount will benefit the Borough, (i.e. does it create or save jobs, does it link to the Corporate Vision in some way).

### 3.4 Eligibility Criteria

There are no pre-set criteria for the award of a Section 47 discount. Each application will be considered on its individual merits against the 5 conditions set out above. Particular consideration will be given to condition 5.

Where a scheme relates to a Government Scheme, as referenced under Section 2 above, the eligibility criteria will be as set out by Government or, where local discretion is allowed, as defined by the Council for that specific instance.

### 3.5 Awarding a Section 47 Discount

In deciding whether to make a Section 47 award we will have regard to the applicant's circumstances. In order to do this each applicant may be asked to supply reasonable supporting evidence to substantiate the answers that they give to the questions above.

Evidence required, but is not limited to:

- business accounts
- income & expenditure statements
- Most recent bank statements for all bank accounts for the last six months
- Evidence of any outstanding debts including credit cards statements, energy bills, rent or mortgage arrears letters
- growth or downsizing plans
- any sources of credit such as cash cards, credit cards, cheque cards, cheque accounts, overdraft facilities, loan arrangements;
- any help which is likely to be available to the applicant from other sources;
- any other special circumstance of which we are aware.

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Please supply this information **within 21 days** of your application, if not received it will be assumed you no longer wish to continue with your claim and your case will be closed.

The Council will decide how much to award based on all of the applicant's circumstances.

Decisions on eligibility for an award will be made by the Revenues Manager or their delegated nominee.

Where a scheme relates to a Government Scheme, as referenced under Section 2 above, the award of any discount will be as set out by Government or, where local discretion is allowed, as defined by the Council for that specific instance.

### **3.6 Payment of a Section 47 Award**

All awards will be made by crediting the award value to the business rate account to which it applies.

If by crediting the award, the account moves to an overall credit balance, a refund of that balance will be considered in the normal manner.

### **3.7 Notification**

The Council will notify the applicant of the outcome of their request on the day the decision is made. The notification will be made in writing.

Where the request for a Section 47 Discount award is unsuccessful or not met in full the Council will explain the reasons why the decision was made and explain the applicant's right of appeal.

### **3.8 The Right to Appeal**

Section 47 awards are administered under the Local Government Finance Act 1988 and awards are not subject to a statutory appeals process. Appeals will therefore be decided by the Council.

The Council will operate the following policy for dealing with appeals about either the decision not to make an award or the amount of an award:

- An applicant (or their representative) who wants an explanation of a Section 47 Discount application decision may request one in writing within one calendar month of notification of the decision;
- An applicant (or their representative) who disagrees with a decision may appeal the decision;
- Any appeal must be made in writing, but must be made within one calendar month of the original decision or the written reasons are notified to the applicant;
- Where possible the Council will try to resolve the matter by explaining the reasons for the decision to the applicant or their representative either verbally or in writing;

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- Where agreement cannot be reached, the Council will review the decision. The review will be suspended if more information is needed from the applicant;
- The applicant will have one calendar month to respond to the request for further information, thereafter the review will be undertaken on the information held;

Decisions on appeals will be made by the Service Manager – for Revenues and Recovery.

If the Council decides that the original decision should not be revised, we will provide full written reasons to the applicant, within ten working days.

### **3.9 Overpayments**

If the Council becomes aware that the information contained in an application for a Section 47 Discount award was incorrect or that relevant information was not declared, either intentionally or otherwise, the Council may seek to recover the value of any award made as a result of that application. The award will be removed from the relevant business rates account and any resulting balance will be subject to the normal methods of collection and recovery applicable to such accounts.

### **3.10 Fraud**

The Council is committed to the fight against fraud in all its forms. Any applicant who tries to fraudulently claim a Section 47 award might have committed an offence under the Fraud Act 2006.

If the Council suspects that fraud may have occurred, the matter will be investigated as appropriate and this could lead to criminal proceedings.

### **3.11 Publicity**

The Council will publicise the scheme and provide information to relevant agencies, stakeholders and other Council services.

## **4 Monitoring**

The Council will monitor Section 47 Discount awards to ensure that this policy has been applied fairly and consistently and that expenditure does not exceed the budget available. This monitoring will be conducted by the Revenues and Recovery Team, which is part of Income & Assessments and will be provided to the Head of Income & Assessments or Assistant Director – Finance & Section 151 officer where deemed appropriate.

## **5. Business Support**

For business support and advice further information can be found on our website at: [www.wokingham.gov.uk/business-and-licensing/business-and-growth/business-investment](http://www.wokingham.gov.uk/business-and-licensing/business-and-growth/business-investment)

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