

# Report

## Council

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### Part 1

Date: 1 March 2022

**Subject** Discretionary Rate Relief for Charities and Similar Organisations

**Purpose** This reports sets out changes to the existing Discretionary rate relief policy.

**Author** Head of Finance

**Ward** All

**Summary** The current discretionary rate relief policy requires updating to take account of changes to business rates for small properties and broaden the scope of the rate relief awarded so that more eligible organisations can benefit from full rate relief. In essence, the existing policy does not allow consideration of 'top-up' discretionary rate relief and this has unintended consequences. The new proposed policy, in allowing 'top-up' rates relief, as well as widening the scope of the organisations that can apply and be considered, will remove some anomalies and allow local charities and organisations connected to children & young people and those that directly support the work of the Council to benefit from valuable business rates reductions.

**Proposal** It is proposed the Council agrees to adopt the updated policy in Appendix One applicable from 1 April 2022.:

**By making the appropriate determination and decision, as required by Sections 47(1)(a) and 47(3) respectively of the Local Government Finance Act 1988**

**Action by** Head of Finance

**Timetable** Effective from 1 April 2022

This report was prepared after consultation with:

- Head of Law & Regulation
- Head of People & Business Change
- Head of Regeneration, investment & Housing

**Signed**

## Background

The Local Government Finance Acts of 1988 and 1992 include provisions for the Council to make discretionary awards of business rate and council tax relief.

This document sets out the proposals for changing the existing policy and covers:

- i. Mandatory Rate Relief
- ii. Discretionary Rate Relief
- iii. Hardship Rate Relief
- iv. Section 13a Council tax Discretionary Discounts

It is advised that the Council does not have a blanket approach to applications for discretionary relief but instead looks at each case on its merits, any new policy should provide a 'framework only' for making decisions that ensures that all relevant factors are taken into account.

The current mandatory and discretionary rate relief schemes are valuable financial assistance to 213 local charities as the table below shows

Relief Type	Number of Organisations	Amount Awarded 2021-22	Cost to the Council
Mandatory	166	2,599,953	nil
Discretionary	47	188,542	18,854
Discretionary Top-Up	nil	nil	nil

### Mandatory Rate Relief

The full cost of the 80% rate relief is wholly met by the non-domestic rate pool. The remaining 20% of rates due is payable by the charity or can, if the Council chooses to do so, be covered in full or part by top-up discretionary rate relief.

No changes proposed to the award of mandatory rate relief as the entitlement to this relief is a statutory requirement.

### Discretionary Rate Reliefs

Section 47 of the Local Government Finance Act 1988 provides the Council with the means to make additional awards of discretionary rate relief.

The discretionary element falls into two categories:

- discretionary top-up to charities to cover the 20% not covered by mandatory rate relief.
- purely discretionary relief of up to 100% to other organisations that are broadly charitable.

The different categories of discretionary rate relief have different cost implications for the Council, with the balance of costs being borne by the Welsh 'Business Rates pool' in the case of business rates relief:

Relief Type	Amount of Award	Cost to the Council
Top-up Relief	Maximum of 20% of the rates payable	75% of the amount awarded
Discretionary Rate Relief (not for profit organisations)	Any amount up to 100%	10% of the amount awarded

The Council's existing policy, in existence since 2016, does not allow for the consideration and making of 'top-up' relief and has created anomalies in the way that some organisations are treated and the policy of not awarding top-up relief has created unforeseen issues namely:

- Charities are liable for 20% rates when a 'normal' ratepayer in the same building would pay no rates due to small business rate relief and a 'top-up' relief can't be considered under the current policy. The small business rate relief scheme has created this anomaly.
- Organisations that directly assist the Council in pursuing its objectives could be treated more favourably but the current policy does not allow for this.
- Some charitable ratepayers that are not commercial in nature, for example Scouts / Guides having to find considerable sums to pay the 20% rate bill that is currently payable because top-up relief can't be considered under the current policy.

## Proposed Changes

There are two broad changes proposed and included in the draft updated policy

- (1) allowing the Council to consider 'top-up' relief
- (2) allowing the Council to consider 'top-up' relief for particular groups which carry out certain activities

and to include:

- Local Newport based charities that provide services that complement the work of the Council. This could include charities that provide mental health services, environmental improvements etc.
- Charities concerned with children and youth that provide facilities in Newport City Council area.
- Charities provide a service that directly benefits the residents of the city and relieves the Council of the need to do so.

It would be reasonable for the Council to look more favourably on organisations especially local charities that directly assist with the aims of the Corporate plan and provide services or facilities that are beneficial to the community within the Newport City area. This would be done on a case by case basis with the applicant providing information on the services they provide in the area.

It is important to link any award of top-up relief directly to provision of local services to prevent national charities with premises in the area benefitting from what is intended to be a localised benefit.

Whilst reasonable to consider and award 'top-up' rates relief for these organisations, it is proposed the following framework will apply in the Council's consideration, and is included within the policy:

- The charity occupies a property that is entitled to Small Business Rate Relief and
  - a) Is providing facilities for children or young people in the city or
  - b) Provides a service that directly benefits the residents of the city and relieves the Council of the need to do so.

No top up rate relief would be considered in any circumstances where:

- Premises used as charity shops.
- Empty properties.
- Properties occupied by national charities other than those where it is evidenced that they are providing facilities for children or young people in the city or operates in a sector or provides a service that directly benefits the residents of the city.
- Where the occupied property is excessively large.

The changes above will impact positively on a relatively small but important number of organisations and /or groups who have a positive impact on local communities across the city, for example:

- there are currently 8 scout groups that occupy huts that are liable for business rates and if they were all awarded full top-up relief the cost for would be around £1,252 in 2021-22. There are other similar groups such as 'sea-scouts' and local youth groups to name but two
- there are 58 properties in total with rateable values of less than £6000, occupied by charitable organisations and if they were all awarded full top up relief the cost to Newport City Council would be £9,873 in 2021-22.

Charities will need to demonstrate that the service they provide directly benefits the city's residents and it is proposed that the revised scheme will also have the following exclusions:

- Properties occupied by national charities
- Empty properties
- Charity shops
- Charities occupying excessively large premises

The revised rate relief policy is attached in **appendix 1** to this report.

## **Financial Summary (Capital and Revenue)**

The cost of the additional top-up' relief can be met from the existing discretionary rate relief budget

## Risks

<b>Risk Title / Description</b>	<b>Risk Impact score of Risk if it occurs* (H/M/L)</b>	<b>Risk Probability of risk occurring (H/M/L)</b>	<b>Risk Mitigation Action(s)</b> What is the Council doing or what has it done to avoid the risk or reduce its effect?	<b>Risk Owner</b> Officer(s) responsible for dealing with the risk?
Financial impact of providing additional rate relief to charities as proposed in the updated policy.	L	L	Any increase will be partially met by the NNDR pool, and the current financial provision for discretionary rate relief will meet the anticipated increase in the Council's contribution.	Head of Finance

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## Options Available and considered

The Council is required to confirm and agree to the new policy if satisfied with the extension of this valuable financial assistance to charitable organisations

The Council could decide to not agree to these changes and/or ask officers to consider other changes

## Preferred Option and Why

It is recommended that Council confirm and agree the changes outlined. The policy is a 'framework document' and as such there is leeway and flexibility to use provisions within it for many / most situations/organisations. The policy changes are noted above in the main body of the report but the policy itself, in other parts, provide for a very wide range of reliefs to be considered for both Business Rates and Council Tax which satisfy most, if not all circumstances. The changes here are the only current anomalies identified by officers and therefore in need of change.

Therefore, the preferred option is to agree to the policy changes outlined in this report and the revised policy in Appendix One

If agreed by Council the following resolution will be adopted:

## Resolution

- (a) The Council will adopt the revised Discretionary Rate Relief Policy as shown in **Appendix 1**, effective from 1 April 2022
- (b) The Council determines that, unless hereditaments are excepted under (b) below, Section 47(1)(a) (discretionary relief) of the Local Government Finance Act 1988 will apply as regards the hereditaments described in 'The Scheme' in accordance with the rules described in relation to those hereditaments.

It is reasonable for the Council to make this decision having regard to the interests of persons liable to pay council tax set by the Council.

- (b) Relief is not available under this resolution in respect of any hereditament which is occupied by -
  - the Welsh Ministers, a Minister of the Crown or government department,
  - any public authority (including any local authority),
  - the holder of any public office, or
  - the Crown

- (c) The Council decides, under Section 47(3) of the Local Government Finance Act 1988, that during the billing 'The Scheme' shall apply to the hereditaments described, and that the Head of Finance use his delegated powers to apply the relief.

### **Comments of Chief Financial Officer**

The financial details of the change proposed are included in the main body of the report and are afforded within current budgets. They would deal with current anomalies in the current policy when being applied. The policy itself is a wide ranging document and this update would apply to a relatively small part of it and would provide for assistance to charities in particular circumstances as well as those who carry out certain defined activities.

### **Comments of Monitoring Officer**

The proposed scheme is in accordance with the Council's statutory powers to grant mandatory and discretionary rate relief under sections 43, and 47 of the Local Government Finance Act 1988 ("the 1988 Act"). Rate relief under section 43 of the 1988 Act is mandatory and charitable and non-profit making organisations are automatically eligible for 80% rate reduction, which is fully reimbursed by Welsh Government. However, the Council is able to award additional discretionary rate relief under sections 47 of the 1988 Act and this power was extended by Section 69 of the Localism Act 2011 permit local authorities to grant discretionary relief in any circumstances, if it is reasonable for the authority to do so, having regard to the interests of council tax payers in its area. The current discretionary relief scheme adopted by the Council does not enable any discretionary top-up rate relief for those charitable and non-profit making bodies who qualify for the 80% mandatory relief. This has resulted in certain anomalies and unfairness where those charities are not eligible for small business rate relief and have difficulty in paying their 20% rate bill. Therefore, the proposed amendments to the discretionary rate relief scheme would allow for the award of top-up discretionary rate relief to charities occupying small premises which provide facilities for children and young persons or otherwise provide valuable community services for the benefit of the council tax payers of Newport. Although each case will need to be considered on its merits and there cannot be a blanket policy, the proposed criteria should provide a transparent framework to ensure fairness and consistency in decision-making. In order to amend the discretionary rate relief scheme, full Council is required to make a formal determination under Section 47(1) (a) of the 1988 Act and formal decision under Section 47(3). The power to award discretionary rate relief in accordance with the revised scheme is then delegated to the Head of Finance under the officer scheme of delegation.

### **Comments of Head of People and Business Change**

As outlined the proposed amendments to the discretionary rate relief scheme would allow for the award of top-up discretionary rate relief to charities occupying small premises which provide facilities for children and young persons or otherwise provide valuable community services for the benefit of the council tax payers of Newport. Adopting this scheme is therefore in line with the Council's strategic recovery aims and its well-being objectives.

### **Scrutiny Committees.**

n/a

### **Fairness and Equalities Impact Assessment (FEIA)**

This impact assessment considers our legislative responsibilities under:

- The Equality Act (2010), including the Socio-economic Duty
- The Wellbeing of Future Generations (Wales) Act (2015)
- The Welsh Language (Wales) Measure (2011)

The amendments to the discretionary rate relief policy for charities and similar organisations is positive and beneficial to the city as a whole.

Stakeholders the main beneficiaries of the scheme will be the charities and other similar organisations that operate in the city.

This change in policy has been proposed in response to anomalies coming to light and the inflexibility of the current scheme especially with regard to top-up rate relief.

Charities that operate in city and meet the requirements of the scheme are expected to benefit if they meet the requirements of the scheme.

There are no impacts on the majority of protected categories protected in the Equality Act 2010 and it is anticipated that the scheme will be beneficial to the following group:

Age – there will be benefits to children and young persons with facilities such as scout huts being able to receive additional rate relief.

Disability – charities that provide facilities for the disabled within Newport would be able to benefit from the proposal.

Welsh Language – no impact anticipated.

### **Sustainable Development**

The proposed scheme is expected to deliver long term benefits:

Long Term – charities and similar organisations will have financial stability provided by rate relief being proposed.

### **Well-Being**

The Council in reviewing the discretionary rate relief policy considers that the following areas will be positively impacted:

### **Wales' Well-being Goals**

This proposal supports the following well-being goals:

- A prosperous Wales, the third sector provides employment opportunities as well as training opportunities for individuals.
- A healthier Wales – organisations that are concerned with children and young people as well as those that provide facilities to Newport residents will be better served by the revised policy.
- A more equal Wales – in broadening the scope of charities that can be assisted financially they will have more opportunity to provide opportunities that otherwise might not be available to those in low income or disadvantaged groups.
- A Wales of more cohesive communities – charities and similar organisations play a vital part in the fabric of the local community.

### **Newport City Council's Well-being Objectives**

This proposal supports the following Newport City Council well-being goals:

- To improve skills, educational outcomes and employment opportunities – by supporting charities especially those connected with children and young people by providing opportunities that would otherwise not be available.
- To enable people to be healthy, independent and resilient – by supporting charities and organisations that provide facilities and services to city residents.
- To build cohesive and sustainable communities – by supporting charities and groups that provide community activities and directly benefit the residents of the city.

## **The Equality Act (2010)**

This proposal is positive and does not adversely impact any protected categories under the act.

## **Socio-economic Duty**

The Socio-economic Duty is set out in the Equality Act 2010, and requires the council, when making strategic decisions, to pay due regard to the need to reduce the inequalities of outcome that result from socio-economic disadvantage. Inequalities of outcome are felt most acutely in areas such as health, education, work, living standards, justice and personal security, and participation.

The proposed revised policy is a positive move and will be beneficial to the charities and similar organisations and the residents of the city as whole in particular:

- Low Income/income poverty – a number of locally based charities assist the those in the city on low incomes, including children from low-income families.
- Low and/or no Wealth – there are local Newport based charities that assist families and individuals eg. Food banks.
- Material Deprivation – some charities provide local residents on low incomes with repurposed furniture.

## **Consultation**

The proposed amendments to the discretionary rate relief policy for charities and similar organisations has not been formally consulted on.

## **Background Papers**

Existing rate relief





Existing Rate Relief  
Policy.docx

## **Appendix 1**

### **LOCAL TAXATION: POLICY FOR MANDATORY & DISCRETIONARY RELIEFS EFFECTIVE FROM 1 APRIL 2022**

#### **Introduction**

1.1 This document sets out the Council's policy on the awards of various reliefs for Non Domestic Rates and Council Tax. Although each application will be considered on its own merits, the document provides a framework within which the Head of Finance may exercise delegated authority to deal with taxpayers consistently and fairly.

1.2 The legislation governing the award of reliefs is contained in the Local Government Finance Acts 1988 and 1992, as amended, and supporting regulations. (The Welsh Government periodically introduces relief schemes for particular categories of ratepayer, for example the Small Business Rate Relief Scheme, and the Wales Retail Relief Scheme 2014/15. This policy is not intended to cover such schemes since the qualification criteria are set by the Welsh Government).

#### **Summary of Legislation**

2.1 The law relating to reliefs is contained in the following sections of the above Acts: Local Government Finance Act 1988 Section 43 relates to occupied property and requires Mandatory Rate Relief where the ratepayer is a charity or trustee for a charity and the property is used wholly or mainly for charitable purposes. This section also includes provisions for Community Amateur Sports Clubs.

Sections 47 and 48 permit Discretionary Rate Relief for charities and other organisations of prescribed type. The relief may be given for occupied or unoccupied property. Section 47 also includes provisions for Community Amateur Sports Clubs.

Section 69 of the Localism Act 2011 amended Section 47 to permit local authorities to grant discretionary relief in any circumstances, if it is reasonable for the authority to do so, having regard to the interests of council tax payers in its area.

Section 49 permits hardship relief for occupied and unoccupied properties where the ratepayer would sustain hardship if the authority did not grant Rate Relief and it is reasonable for the authority to do so, having regard to the interests of council tax payers in its area.

Section 64(10) relates to charity shops and provides that a shop is to be treated as wholly or mainly used for charitable purposes if it is wholly or mainly used for the sale of goods (less expenses) if the goods are donated and the proceeds are to be used for the purposes of that charity.

Section 44A permits the authority to request a certificate from the Valuation Office Agency in respect of a temporary reduction in the rateable value of premises that are partly unoccupied for a short period of time.

#### **The Local Government Finance Act 1992**

Section 13(A)(1)(c) permits the authority to reduce a person's council tax as it thinks fit, including a reduction to nil. This power may be exercised in relation to particular cases or by determining a class of case in which liability is to be reduced.

### **Mandatory Rate Relief**

In order to qualify for Mandatory Rate Relief an organisation must not be conducted for profit and the property they occupy must be wholly or mainly used for charitable purposes, or those of a Community Amateur Sports Club. If the property is empty it must appear that when next in use the property will be wholly or mainly used for charitable purposes.

Organisations typically qualifying for Mandatory Rate Relief are: charities registered under Section 3 of the Charities Act 1983; those excepted from such registration: for example, Scout and Guide Associations, and Voluntary Schools within the meaning of the Education Acts 1944-1980; charity shops, provided that they are wholly or mainly used for the sale of goods donated to the charity and proceeds from sale are used for the charity only; registered Community Amateur Sports Clubs (CASC).

Entitlement to Mandatory Rate Relief is at the level of 80% of rates payable. (The rates income foregone is wholly funded by the Welsh Government).

### **Discretionary Rate Relief for Charities (Top-Up Rate Relief)**

In cases where ratepayers are entitled to Mandatory Relief is awarded at 80%, the Council will consider a 20% top up where:

- The charity occupies a property that is entitled to Small Business Rate Relief or
- Is providing facilities for children or young people in the city or
- Provides a service that directly benefits the residents of the city and relieves the Council of the need to do so.

The 20% top up will not be applicable to:

- Premises used as charity shops.
- Empty properties
- Properties occupied by national charities other than those where it is evidenced that they are providing facilities for children or young people in the city or operates in a sector or provides a service that directly benefits the residents of the city.
- Where the occupied property is excessively large.

Where ratepayers do not qualify for Mandatory Relief, an award of Discretionary Relief attracts funding of 90% from the Welsh Government, with the Council bearing the remaining 10%.

### **Discretionary Rate Relief for Other Organisations (Non For Profit Rate Relief)**

In order to qualify for Discretionary Rate Relief, the ratepayer must be a non-profit making body and the premises used for charitable, philanthropic or religious purposes, or concerned with education, social welfare, science, literature or the fine arts, or used wholly or mainly for recreation by a not-for-profit club or society.

Discretionary Relief will not be awarded where:

- a) The property is empty
- b) the financial reserves of the organisation are considered excessive

- c) there is a bar, shop, restaurant or similar operation and the income from these is greater than 50% of total income;
- d) the organisation charges fees which are set at such a high level as to exclude the general community.
- e) The premises occupied are excessively large.

The Council will award 100% Discretionary Rate Relief to organisations that do not qualify for Mandatory Rate Relief, and which, provided they are not excluded by points (a)-(e) above, and meet relevant criteria from the following list:

- (a) it can be demonstrated that the service that is being provided is predominantly for the benefit of residents of Newport;
- (b) where goods are sold, the goods sold must be predominantly donated (regardless of the organisation's objectives);
- (c) membership of clubs must be open to all sections of the community; clubs or organisations should not be considered if the membership fees are set at such a high level as to exclude the general community;
- (d) where organisations actively encourage membership from particular groups in the Community e.g. ethnic groups, young people, other age groups, disabled persons;
- (e) where membership is drawn from people mainly resident within the Newport area;
- (f) where the organisation encourages membership or provides support for particular groups considered to be worthy of support; and/or promote social and economic schemes e.g. job clubs, back to work schemes, training or retraining schemes;
- (g) where the facilities of the organisation made available to people other than its members, e.g. schools, casual public sessions;
- (h) where the organisation provides training or education for its members, or there are schemes for particular groups to develop skills, e.g. young people, disabled people;
- (i) where the organisation's facilities have been provided by self-help or grant aid;
- (j) where the organisation providing the facilities indirectly relieve the Council from providing that facility;
- (k) where the organisation is affiliated to local or national representative bodies.

In the case of organisations that do not qualify for Mandatory Rate Relief and run a licensed bar, the Council will award 60% Discretionary Rate Relief, provided they are not excluded by points (a)-(c) in 4.2 above, and meet the relevant criteria in 4.3 (a)-(k).

In the case of Discretionary Relief 'in any circumstances', the individual merits of each application will be considered within the general context of whether it is reasonable to grant relief, having regard to the interests of council tax payers. Regard will be paid to any guidance issued by the Welsh Ministers. This form of relief is wholly funded by the Council.

### **Applications for Mandatory and/or Discretionary Relief**

Applications for reliefs should be made in writing using the forms available on the Council's website. Applications for Discretionary Relief should also provide the following information:

1. latest set of Audited Accounts;
2. a copy of the organisation's constitution
3. evidence of registration as a Community Amateur Sports Club (if relevant).
4. for organisations that are exempt from registering as a charity – evidence of the

5. exemption is required in the form of a letter from the Inland Revenue stating that they
6. are exempt from tax under S505 of the Income and Corporation Tax Act 1988.
7. Details of facilities and services provided directly to the residents of the city.

Applications will be considered by the Head of Finance, in accordance with delegated authority.

Entitlements to relief will usually commence from the beginning of a ratepayer's liability in the billing year in which the application is made.

Reviews of entitlements to Mandatory and Discretionary Reliefs will be carried out periodically to ensure that the applicant continues to qualify.

Hardship Relief: Non-Domestic Rates

### **Hardship Rate Relief**

Hardship relief of up to 100% of rates payable may be awarded. Each case is determined on its own merits. Relief may be awarded only for a period where there is clear evidence of hardship.

The Local Government Finance Act 1988, Section 49, provides that the Council may reduce or remit the payment of Rates where it is satisfied that:

- (a) the ratepayer would sustain hardship if it did not do so; and
- (b) it is reasonable for it to do so having regard to the interests of its council tax payers.

Reductions or remissions on the grounds of hardship will be the exception rather than the rule.

The Welsh Government funds 75% of the cost of hardship relief, with the Council meeting the remaining 25%.

The test of hardship need not be confined to financial hardship: all relevant factors affecting the ability of a business to meet its rates liability will be taken into account.

The interests of council tax payers will also not be confined to financial considerations. Other factors, such as employment prospects in the Council's area, may also be relevant. A consideration will be to what degree taxpayers or the local community will benefit from the relief.

Applications should be in writing and provide sufficient information to enable a decision to be made, including the ratepayer's most recent set of audited accounts and other relevant financial information.

6.8 Entitlements to relief will usually commence from the beginning of a ratepayer's liability in the billing year in which the application is made. Relief will be granted for a maximum of one billing year, and applicants will be required to reapply annually.

### **Part Occupied Relief (Section 44a Relief): Non-Domestic Rates**

The Council has discretion to grant relief where it appears that part of a property is unoccupied and will remain so for a short time only. Relief is at the rate of 100% for the vacant area, provided the Valuation Office Agency issues a certificate of apportionment.

The cost of funding partly occupied property relief is met by the Welsh Government.

In considering applications, the Council will consider the period of part occupation; the size and use of the overall premises; the reason for the part occupation.

The section 44a relief will run for the shorter period of the following:

- 3 months if retail premise/offices or 6 months if industrial/manufacturing
- A change in the extent of partial occupation
- The ending of the rate period to which the apportionment relates
- The beginning of a new operative period under a new certificate
- The hereditament becoming completely unoccupied

Applications should be made in writing and will be considered by the Head of Finance, in accordance with delegated authority.

### **State Aid: Non-Domestic Discretionary Rates Relief**

In coming to decisions in relation to Non-Domestic Rates discretionary reliefs, regard will be paid to the State Aid rules applicable at the time.

### **Discretionary Relief: Council Tax**

The Council has the discretion to reduce a person's council tax as it thinks fit, including a reduction to nil, either in particular cases or by determining classes of cases. The Council bears all the costs of Council Tax Discretionary Relief.

No classes of cases have yet been considered, but could include instances such as where flooding or other incidents have taken place in a locality.

The Council's exercise of discretion 'as it thinks fit' carries with it the requirement to make a decision about awarding relief because of a particular situation or event that has affected the taxpayer(s) adversely, rather than because of circumstances that are routine.

In respect of an individual person's council tax liability, financial hardship may be considered as a reason for granting relief, although other causes will be considered. Each case will be assessed on its merits in relation to events, individual circumstances and/or financial ability to make payment. It is for the taxpayer(s) to demonstrate why relief should be awarded, when under other circumstances it would not be available.

9.5 In the case of financial circumstances, the taxpayer will be required to prove that they are experiencing hardship, in particular that they cannot meet their immediate basic and essential needs. Basic and essential needs are having sufficient resources to pay for adequate:

- Heating
- Food
- Hygiene

Other factors, such as the taxpayer's age, health and family circumstances will be taken into account. Unless special reasons exist, outgoings for subscription TV; internet services; unreasonably high mobile or landline phone services; credit cards; store cards; loans; and other catalogue debts will not be considered to be essential needs. There should be a priority obligation to pay council tax, over and above non-essential expenditure, including

that related to life-style choices.

Applicants for financial hardship relief must have an outstanding balance on their council tax liability, and will also be expected to have been properly assessed for other means of assistance, such as Council Tax Reduction, Housing Benefit, and Discretionary Housing Payments, where appropriate.

Hardship awards will not be considered for Court Costs or bailiff fees and charges, or for council tax on vacant dwellings.

Applications for Council Tax Discretionary Relief should be made in writing, supported by appropriate evidence, and will be considered by the Head of Finance, in accordance with delegated authority. Any awards of discretionary relief will be made as a credit to the applicant's council tax account.

### **Communication with Applicants**

The Council will notify in writing all applicants for reliefs of its decision.

10.2 Where relief is granted, the notification will include:

- the amount of relief granted and the effective date of the award;
- the period of the award, if it is limited;
- the new chargeable amount;
- the details of any planned reviews, and the notice that will be given in advance of any
- changes to the level of relief;
- a requirement that the applicant should notify the Council of any relevant change in circumstances.

Where applications are unsuccessful, or limited to a lower amount of relief, the Council will provide an explanation within the context of its statutory duty.

#### **Rights of Appeal**

In cases where an application for Discretionary Relief or Hardship Relief has been refused or limited, applicants may appeal by writing to the Head of Finance detailing the grounds of their appeal. Unsuccessful applicants will be informed of this right.

Applications that are subject to appeals will be reconsidered by the Head of Law & Standards. The decision of the reconsideration will be notified to the applicant in writing, and include the reasons for the decision.