

Appendix A

Guidance on Granting Rate Relief – issued by the Office of the Deputy Prime Minister – December 2002

- (i) Authorities must consider each application on its merits and can not have a blanket policy to either give or not give hardship relief.
- (ii) Reduction or remission on the grounds of hardship should be the exception rather than the rule.
- (iii) All relevant factors affecting the ability of the business/ratepayer to meet their liability for rates should be considered.
- (iv) 25% of the cost must be borne by the authority
- (v) The interests of the Council Tax payer may go further than direct financial interest, where for example the ratepayer is the only provider of a service in the area.
- (vi) Where the financial interests of the Council Tax payer would suffer an adverse affect by granting hardship relief, the case for a reduction or remission may still on balance outweigh the cost to taxpayers.
- (vii) Hardship relief may in some cases constitute state aid and may need to be notified to the European Commission.
- (viii) Authorities may wish to consider how the business can demonstrate a loss of trade or business. For example, by examining accounts, order books, till receipts or VAT returns showing a marked decline compared to previous periods.
- (ix) Any relief would only be granted for a period for which there is clear evidence of hardship for the ratepayer
- (x) To guard against fraudulent claims, authorities should satisfy themselves that the claim is from a ratepayer suffering genuine hardship.

Finally, the guidance states “Hardship relief should be reviewed regularly and should be given for short fixed periods, which could be renewed following a review, rather than for extended periods without review, but can straddle financial years.”