

## **Business Rates – Hardship Relief**

**EXPLANATORY NOTES** - Please read these notes (Pages 1 & 2) before completing the Application Form (Pages 3 & 4). These notes are intended to give a helpful outline of the Hardship Relief scheme but they should not be regarded as a complete guide to the law.

### **What is the Hardship Relief Scheme?**

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. A quarter of the cost of any Hardship Relief granted falls directly on local Council Tax payers and, therefore, the Council must ensure that the granting of Hardship Relief benefits the wider community as well as the ratepayer concerned.

### **How is Hardship Relief granted?**

Any Hardship Relief will normally be granted as a percentage of the rates payable for a specific period, usually the rating year in which the application is made. In some cases, interim decisions may be made subject to review in the light of the actual financial accounts for the period concerned.

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.

### **What are the general qualifying criteria?**

The applicant must be liable to pay National Non-Domestic Rates to Gosport Borough Council. The Council must be satisfied that:

1. The ratepayer would sustain hardship if the Council did not grant Hardship Relief, and
2. It is reasonable to grant Hardship Relief having regard to the interest of person's subject to the Council Tax.

The test 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.

The "interest" of local Council Tax payers 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.

### **Which ratepayers are most likely to qualify?**

Whilst the Council can consider an application for Hardship Relief from any ratepayer who satisfies the qualifying criteria, hardship relief should not be regarded as automatic under any circumstances.

It is unlikely that Hardship Relief would be granted in respect of an empty property or where there is little expectation of economic survival.

Small Businesses occupying only one non-domestic property in England may qualify for Small Business Rate Relief (for which a separate application form is available). Such businesses may be required to apply for Small Business Rate Relief before an application for Hardship Relief can be considered.

### **Recalculation of Relief**

The amount of discretionary relief awarded may be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value of the hereditament, an adjustment to the liability or the awarding of another relief. This change of circumstances could arise during the year in question or during a later year.

### **Backdating of Relief**

Where applications are received after 30<sup>th</sup> September in any year, backdating of a claim is restricted to the 1<sup>st</sup> of April of that year. For applications received before 30<sup>th</sup> September then claims may be backdated to 1<sup>st</sup> April of the previous financial year if applicable. This is accordance with Regulation 47 of The Local Government Finance Act 1988.

### **State Aid**

The relief will be subject to state aid regulations.

### **What are the application requirements?**

The following information will be required in support of applications for Hardship Relief :-

1. Completed Application Form
2. Past two years audited accounts or, in the case of a new business, an estimate of annual income and expenditure.
3. A comprehensive Business Plan incorporating a brief history of the business.
4. Cash flow forecast for a minimum of the next twelve months.
5. Any other information that may be required in individual cases.

### **How are applications for Hardship Relief determined?**

Each application for Hardship Relief is considered on its merits in accordance with Government guidelines.

Applications will considered by The Policy and Organisation Board of Gosport Borough Council which is a public meeting and therefore information provided in your application may be placed in the public domain.

## **BUSINESS RATES - APPLICATION FOR HARDSHIP RELIEF**

To apply for Hardship Relief please complete this application form in BLOCK CAPITAL LETTERS and return it to the Local Taxation Office, Gosport Borough Council, Town Hall, High Street, Gosport, Hampshire, PO12 1ED together with copies of the following documents:-

(i) Audited accounts for the past two years (or in the case of a new business, estimates of annual income and expenditure), (ii) a comprehensive Business Plan incorporating a brief history of the business, and (iii) cash flow forecast for a minimum of the next twelve months.

If you require any assistance in completing this form, please contact the Head of Local Taxation, Gosport Borough Council (Telephone: (02392) 5470, Email: [businessrates@gosport.gov.uk](mailto:businessrates@gosport.gov.uk)).

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

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

11. What are the consequences for the local community if the Council declined to grant some or all of the Relief requested?	
12. Is the business receiving (or requesting) financial assistance from any other source?	YES / NO If YES, please give details
13. Does the business have any other debts which may result a creditor taking action to enforce recovery or commence insolvency proceedings?	YES / NO If YES, please give details
14. Please state any other information which you consider is relevant to support your application for Hardship Relief	

I apply for Hardship Relief and I declare that the information given on this form and any supporting documents is correct.

I authorise the Local Taxation Office to make any enquiries necessary to verify the information stated and to refer this application to the Council's Policy and Organisation Board.

**I enclose copies of the following: (i) past two years audited accounts (or in the case of a new business, an estimate of annual income and expenditure) (ii) the Business Plan, (iii) a cash flow forecast for a minimum of the next twelve months. (If any of these documents is not enclosed with your application, you should explain why it is not available.)**

I understand that I am not entitled to withhold the payment of rates pending the determination of this application and that the information provided will be heard at a public meeting.

Signed.....Name of Signatory.....

Capacity in which signed.....

Date ...../...../..... Email address.....

Daytime Telephone No .....

**Data Protection 1998**

This Council may use Business Rates information for legitimate purpose such as the prevention and detection of fraud, the collection of debts or to assist in the discharge of other statutory functions. Your information may be shared with other Council departments and with other bodies responsible for auditing or administering public funds for these purposes.