

Woking Borough Council

National Non-Domestic Rates

Guidelines for considering Hardship Relief
Section 49 Local Government Finance Act 1988

When considering applications for hardship relief the following factors will be taken into account together with guidelines contained in ODPM Practice Note of August 1990:

- 1 That any decision is in the interests of the Council taxpayers of Woking as a whole. The “interests” of the taxpayers may go wider than direct financial interests. For example, where the employment prospects in the area would be worsened by a company going out of business.
- 2 The hardship need not be confined strictly to financial hardship but may include other factors that might affect the ability of a business to meet its liability for rates.
- 3 (i) That if hardship is claimed up-to-date trading accounts are produced as supporting evidence of failure to achieve reasonable return on capital employed.

(ii) As a guide, for hardship assessment purposes a reasonable return on capital employed is assumed to be at least equivalent to the rateable value shown in the 2000 Rating List, adjusted for inflation, i.e. since the rateable value is defined as the annual rental value of a business premises it could be assumed for hardship purposes to be equivalent of an annual investment income if the premises were offered to let. Where the business has more than one premises, the total rateable value of all premises is used.
- 4 As part of a formal application to be considered by the Council, the applicant is expected to contact Business Link in the South East for a free independent review of the applicant’s business. Their contact details can be found on our website. The Council will contact the applicant on this aspect after formal application for hardship relief has been submitted. Unless there are exceptional circumstances, no application is considered without this independent review.
- 5 A trading loss or evidence of new competition is not sufficient in itself to prove hardship in the rate relief context.
- 6 As a rule, the business should be the only one of its type providing a unique service and its loss would severely diminish amenities if it ceased to trade.
- 7 Each applicant will be considered on its own merits.
- 8 The maximum amount of rates remitted can be up to 100% of the rate liability.
- 9 Applications will be effective from the start of the financial year in which they are made and will be reviewed annually or where circumstances change. Relief will be withdrawn on disposal of the business.