

## **Haringey Council's Discretionary Business Rates Relief Policy**

Under Section 47 of the Local Government Finance Act (1988),<sup>1</sup> Haringey Council has the discretionary power to award relief on business rates where “it is satisfied that it would be reasonable for it to do so, having the regard to the interests of persons liable to pay council tax set by it.”

This policy document sets out:

- The circumstances when Haringey Council will consider using its discretion to offer business rates relief to local rate-payers
- The length of time and amount of relief that Haringey Council would normally consider offering should these circumstances be met

The document is set out in three separate sections. Each section outlines a circumstance when Haringey Council will consider using its discretionary power to offer business rates relief, including criteria to guide the Council when making its final decision over offering relief:

- Section 1 – business rates relief for occupiers of new or recently converted commercial office and work space in Haringey (B1 use class)
- Section 2 – business rates relief for businesses that are temporarily occupying and using a space whilst a new development project is being completed (meanwhile activities)
- Section 3 – business rates relief for voluntary and community sector organisations (VCOs) occupying premises in Haringey

### **Section 1 – Business rates relief for occupiers of new or recently converted commercial office and work space in Haringey (B1 Use Class<sup>2</sup>)**

A discount on business rates will be given for occupiers of new or recently converted commercial premises used for B1 Use Class purposes if they can demonstrate that they satisfy Part A – C of the criteria below.

Should all parts of the criteria be satisfied, Haringey Council will use its discretionary power to offer **30% relief** against the annual amount of business rates due to be paid by the occupier. The full 30% relief period would last for **three consecutive financial years<sup>3</sup>**, inclusive of the financial year in which the relief is awarded.

This relief scheme is to be applied borough wide. Where possible, Haringey Council will in advance identify key strategic sites and areas that are likely to match the eligibility criteria for this relief should they become commercially developed and occupied in the future.

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<sup>1</sup> As amended by Section 69 of the Localism Act (2011)

<sup>2</sup> B1 Class of usage is defined by the Town and County Planning Order (Use Classes) 1987

<sup>3</sup> A financial year begins on the 1<sup>st</sup> April and lasts for 12 months i.e. the 31<sup>st</sup> March

CRITERIA	REQUIREMENTS FOR OCCUPIER TO SATISFY
<p><b>Part A – pre-qualifying conditions</b></p>	<p>To be eligible to be considered for discretionary relief, the occupier must be:</p> <ol style="list-style-type: none"> <li>1. Occupying rateable premises in Haringey</li> <li>2. Not subject to investigation by the relevant regulator</li> <li>3. <ol style="list-style-type: none"> <li>a) If the applicant is a company limited by guarantee, able to evidence that accounts are up to date and filed with Companies House</li> <li>b) If the applicant is structured in another way, able to evidence a robust business plan which highlights how the premises they occupy assists in the delivery of the organisation’s objectives</li> </ol> </li> <li>4. Not already receiving discretionary relief from the Council</li> <li>5. Not receiving more public-funded aid than EU State Aid de Minimus rules permit (an organisation must not have received public-funded aid to support commercial activities exceeding a total of 200,000 Euros over a 3 year period – this includes all reliefs, grants, subsidies and guarantees received from public bodies)</li> </ol>
<p><b>Part B – occupying a premise for <u>B1 Use Class</u> purposes</b></p>	<p>Commercial space usage that falls into the B1 Use Class includes:</p> <ul style="list-style-type: none"> <li>➤ Offices which are not within A2 Use Class (this excludes financial, professional and other services appropriate to a shopping area, where the services are provided principally to visiting members of the public)</li> <li>➤ Research and development of products and processes – includes studios, work spaces and laboratories</li> <li>➤ Light industrial use (which could be carried out in any residential area without detriment to the amenity of that area by reason of noise, vibration, smell, fumes, smoke, soot, ash, dust or grit)</li> </ul> <p>Use Class B1 is defined by the Town and County Planning Order (Use Classes) 1987</p>
<p><b>Part C – occupying <u>new or recently converted</u> premises</b></p>	<p>The occupier needs to satisfy one of the following conditions:</p> <ol style="list-style-type: none"> <li>1) They are occupying <b>newly built</b> commercial premises</li> </ol> <p>‘Newly built’ is to be defined as new and additional commercial floorspace, that has been put on the open market for sale or rent for the first time within the previous 12 months</p> <p style="text-align: center;"><b>OR</b></p> <ol style="list-style-type: none"> <li>2) The organisation is occupying premises that have been recently converted to be suitable for B1 use class:</li> </ol>

	‘Recently converted’ is to be defined as commercial floorspace that was previously used for B2 – B8 Use Classes (industrial and storage warehousing), that has undergone a conversion into B1 use class and within the previous 12 months has been put on the open market for sale or rent for the first time
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There is an expectation that an occupier receiving discretionary relief on their business rates under this criteria would engage and work positively with Haringey Council on helping to support corporate priorities and bring benefits for residents and the local area. Before making the offer of relief, an initial meeting will be arranged between appropriate Haringey Council officers (with an economic development and regeneration focus) and the occupier to discuss how both parties can work together going forwards to bring value and benefits for local residents.

**Section 2 - Business rates relief for businesses that are temporarily occupying and using a space whilst a new development project is being completed (meanwhile activities)**

A discount on business rates may be considered for businesses that are temporarily occupying and using a space that is to become part of a new development project (meanwhile activities).

In these circumstances, Haringey Council will make decisions on whether to use its discretion to offer business rates relief to the temporary occupier (including the amount given and for what length of time) on a **case by case basis**.

The following criteria and principles will guide Haringey Council in making this decision:

<b>CRITERIA</b>	<b>REQUIREMENTS FOR OCCUPIER TO SATISFY</b>
<b>Part A - Pre-qualifying conditions for all applicants</b>	<p>To be eligible to be considered for discretionary relief, the occupier must be:</p> <ol style="list-style-type: none"> <li>1. Occupying rateable premises in Haringey</li> <li>2. Not subject to investigation by the relevant regulator</li> <li>3.               <ol style="list-style-type: none"> <li>a) If the applicant is a limited company, able to evidence that accounts are up to date and filed with Companies House</li> <li>b) If the applicant is structured in another way, able to evidence a robust business plan which highlights how premises would assist in the delivery of the organisation’s objectives</li> </ol> </li> <li>4. Not already receiving discretionary relief on the premise occupied from Haringey Council</li> <li>5. Not receiving more public-funded aid than EU State Aid de Minimus rules permit (an organisation must not have received public-funded aid to support commercial activities exceeding a total of 200,000 Euros over a 3 year period – this includes all reliefs, grants, subsidies and guarantees received from public bodies)</li> </ol>

<p><b>Part B – they are occupying space that will become part of a new development site</b></p>	<p>The space / site that the business is temporarily occupying must be part of a new development project or initiative. This is likely to have been:</p> <ul style="list-style-type: none"> <li>➤ Outlined in a development framework / area action plan that has been agreed by Haringey Council OR</li> <li>➤ Received planning permission from Haringey Council to be developed OR</li> <li>➤ Has been identified by local traders forums and Haringey Council as an area or site suitable for temporary meanwhile activities, with the expectation that the site/area would be developed in the future</li> </ul> <p>The business may temporarily occupy or use the space whilst it is laying vacant before works on the new development begins, or during the development and construction period</p>
<p><b>Part C – compliance with conditions for using the site</b></p>	<p>The temporary initiative that the occupier intends to use the space for must abide by any conditions for using the development site. This may include:</p> <ul style="list-style-type: none"> <li>➤ Planning conditions</li> <li>➤ Licensing conditions and other trading regulations</li> <li>➤ Environmental and maintenance conditions attached to approval for the temporary/meanwhile initiative to go ahead</li> </ul>
<p><b>PART D – Contributing value for residents and to the local area</b></p>	<p>Haringey Council will consider the following:</p> <ul style="list-style-type: none"> <li>➤ Would the temporary initiative provide activities for local residents to enjoy in and around the area? The initiative should be public facing – i.e. something that the public can access</li> <li>➤ Would the initiative help make the area more vibrant for residents and contribute to plans to improve local high streets and economic regeneration areas?</li> <li>➤ Does the initiative promote opportunities for smaller, independent traders, community organisations or start-ups, who intend to build their business base in Haringey?</li> <li>➤ Does the initiative lend support to Haringey Council’s Corporate Plan priorities?</li> <li>➤ Would the initiative avoid adding any extra costs to local residents and businesses? (for example through increased service charges)</li> </ul>
<p><b>Part E – financial case for applying relief</b></p>	<p>Haringey Council would also consider:</p> <ul style="list-style-type: none"> <li>➤ The cost of applying the relief through loss of immediate business rates revenue, and whether the financial case is balanced against the future increase of business rates income expected from the new development project once complete</li> </ul>

There would be an expectation that an occupier receiving discretionary relief on their business rates under this criteria would engage and work positively with Haringey Council on helping to provide value for residents and support corporate priorities. Before making the offer of relief, an initial meeting will be arranged between appropriate Haringey Council officers (with an economic development and regeneration focus) and the occupier to discuss how both parties can work together going forwards to bring value and benefits for local residents.

### **Section 3 – Business rates relief for voluntary and community sector organisations occupying premises in Haringey**

Section 43(6) of the Local Government Finance Act 1988 makes it mandatory for local councils to offer 80% business rates relief to all registered charities<sup>4</sup> and community amateur sports clubs<sup>5</sup> (known as mandatory relief)

Beyond this mandatory relief, Haringey Council will use its discretionary power to offer additional business rates relief to voluntary and community sector organisations occupying premises in Haringey if they match one of the three circumstances outlined below:

#### **A) The organisation is using the premise as a youth centre, voluntary aided school or counselling centre**

Haringey Council will use its discretion to offer 100% business rates relief to charities, not-for-profit and voluntary and community sector organisations that are providing the following facilities in Haringey:

1. Youth Centres – these are places run to provide activities and services to young people in the area
2. Voluntary aided schools – these are schools that are funded by Haringey Council, but where a charitable trust or voluntary sector organisation (such as a religious body like the Church of England) owns the land and is formally part of the governing body with responsibility for running the school
3. Counselling centres – these are places run to provide assistance and guidance in resolving personal, social or psychological problems and difficulties

We would expect any organisation applying for discretionary relief under this criterion to offer services or facilities that are open to and accessible for all groups of residents in the community to participate in.

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<sup>4</sup> A registered charity is a body that is registered and regulated by the Charities Commission

<sup>5</sup> Community amateur sports clubs are registered with HM Revenue & Customs and are defined by the [Corporation Tax Act \(CTA\) 2010 Part 13 Chapter 9](#) and [Community Amateur Sports Clubs Regulations 2015](#)

## **B) The organisation is receiving funding from the Council**

Funding includes grants, contracts (including funding from joint commissioning arrangements between the Council and other public agencies) and discounted rent under a community building model lease.

Haringey Council will use its discretion on a case by case basis to offer 100% relief on organisations receiving funding from the Council.

The case by case assessment for offering 100% relief to organisations that are funded by the Council will be based on the following information that will be requested on the relief application form:

1. Their funding arrangement with Haringey Council, including the date when the funding arrangement will come to an end
2. To outline how the additional discretionary relief applied for would directly support and be reinvested in the activities or initiative that Haringey Council is funding the organisation to undertake
3. Their social value for local residents and the community (this last point is the same information captured as for all VCOs applying for discretionary relief – see part B of the criteria below and Appendix A)

Any award of 100% relief made under this part of the policy would only last up until the organisation's present funding arrangement with the Council expires.

## **C) The organisation is not a registered charity or community amateur sports club, but is structured as a not-for-profit or voluntary and community sector organisation and is occupying premises in Haringey**

Haringey Council will use its discretion to offer 80% relief off business rates to not-for-profit and voluntary and community sector organisations that are occupying premises in Haringey for the following uses:

- Charity headquarters / offices
- Charity shops and outlets that are reinvesting their profits into local social causes
- Ethnic and community centres
- Religious organisations
- Schools (outside of local authority control)
- Sports clubs and associations
- Theatre, arts and cultural groups
- Children's playgroups
- Employment and skills support services
- Organisations that promote health and wellbeing for local residents and a clean local environment

- Organisations that work with groups of residents who are vulnerable or have additional needs – e.g. working with those with special educational needs and disabilities, isolated individuals and children whose welfare is at risk

We would expect any organisation applying for discretionary relief under this criterion to offer services or facilities that are open to and accessible for all groups of residents in the community to participate in.

If the voluntary and community sector organisation satisfies one of the above circumstances, they will also have to complete the following requirements:

CRITERIA	REQUIREMENTS FOR OCCUPIER TO SATISFY
<p><b>Part A - Pre-qualifying conditions for all VCO applicants</b></p>	<p>Eligible organisations must be:</p> <ol style="list-style-type: none"> <li>1. Occupying rateable premises in Haringey</li> <li>2. Not subject to investigation by the relevant regulator, which may include the Charity Commission, Ofsted or the Care Quality Commission</li> <li>3. Able to evidence that accounts are up to date and filed with the appropriate national body</li> <li>4. Set up as an organisation operating in the voluntary and community sector – they must be structured to reinvest their profits back into social causes. This for example would include registered charities, community amateur sports clubs, not for profit companies, community interest companies and social enterprises.</li> <li>5. Demonstrate that they are operating in a transparent manner – local residents should be able to publically access information on the services or facilities that the organisation provides</li> <li>6. Not already receiving discretionary relief on the premise occupied from Haringey Council</li> <li>7. Not receiving more public-funded aid than EU State Aid de Minimus rules permit (an organisation must not have received public-funded aid to support commercial activities exceeding a total of 200,000 Euros over a 3 year period – this includes all reliefs, grants, subsidies and guarantees received from public bodies)</li> </ol>
<p><b>Part B –complete a Social Value assessment form</b></p>	<p>As part of the application process for discretionary business rates relief, all voluntary and community sector organisation will be asked to outline how their services and activities add social value to the local community and for residents</p> <p>The information supplied on social value by applicants will be used as a</p>

	<p>source of intelligence to help inform discussions over future opportunities for the Council and VCOs to work more closely together for the benefit of residents</p> <p>If the organisation has already undertaken a social value assessment as part of another process (for example when previously applying for funding from Haringey Council or another public body), they may choose to submit a copy of this assessment as part of the application for discretionary relief</p> <p>Guidance on social value will accompany the application form for business rates relief, and this is included in Appendix A of this policy document</p>
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### **Making the decision over offering discretionary business rates relief**

Haringey Council will set out an application process for discretionary business rates relief that all organisations wanting to be considered will have to undertake. The application form and process will be reflective of the criteria and guidance outlined in this policy document.

If after assessing an application Haringey Council decides not to offer discretionary business rates relief, it will give its reasons for not doing so in writing to the applicant.

Under the Local Government Finance Act (1988) there is no right of appeal against the Council's use of discretionary powers. However the Council will accept a ratepayer's written request for a further review of the decision if the applicant has concerns that the decision has not been made within the framework set out in this policy document, and that this is supported by further written information or evidence and made within one calendar month of the decision.

Any review would be taken by a different person from the person who made the decision to which the review relates, and shall normally be carried out within 28 days from the date that the review request is received by the Council.



## **Appendix A – Social Value guidance**

Haringey Council will ask voluntary and community organisations (VCO), when applying for discretionary relief on business rates, to outline in their application:

### **What social value does the organisation bring to Haringey?**

The table below will be issued as guidance to VCO applicants for discretionary business rates relief over how they could demonstrate social value.

<b>Social value criteria</b>	<b>What does it mean?</b>	<b>How can I demonstrate this?</b>
1. Prevention and early help	People have access to early support to prevent problems or escalation of issues with community knowledge and capacity to support an early help approach.	Your organisation will be working in ways which: <ul style="list-style-type: none"> <li>• avert or reduce the risk of crisis and supports recovery and/or;</li> <li>• address underlying issues e.g. family breakdown, drug &amp; alcohol abuse, debt and/or;</li> <li>• support parenting/family life/needs of carers/home learning environment and/or;</li> <li>• signpost/connect with debt/financial education/housing/welfare support and/or;</li> <li>• reduce avoidable admissions to hospital/delayed discharge and/or;</li> <li>• engage communities in wellbeing and resilience and/or;</li> <li>• strengthen awareness of and links to sources of community support.</li> </ul>
2. Local employment	People have opportunities for training, skills and support to find and keep good quality employment, with increased employment of people with mental health problems.	Your organisation will be working in ways which: <ul style="list-style-type: none"> <li>• provide training, skills, volunteering, or employment for local people including where possible those facing the greatest barriers (people with mental health problems, disabilities, ex-offenders) and/or;</li> <li>• open up opportunities for young people and/or;</li> <li>• provide pathway activities e.g. volunteering, education, arts and creativity and/or;</li> <li>• demonstrate work-life balance/carers e.g. flexible working and/or;</li> <li>• offer opportunities for individual placement support in workplaces and/or;</li> <li>• use local businesses/social enterprises in the local supply chain.</li> </ul>
3. Healthy life expectancy	People have knowledge, information, opportunities and support to improve their health and wellbeing and to influence factors that affect their	Your organisation will be working in ways which: <ul style="list-style-type: none"> <li>• promote health and wellbeing opportunities for those most excluded and/or;</li> <li>• offer opportunities for physical activity/improved access and/or;</li> <li>• deliver opportunities for healthy eating/affordable healthy food/cooking skills and/or;</li> <li>• provide opportunities/training for communities to deliver themselves where this might increase uptake</li> </ul>

	health.	<p>and/or;</p> <ul style="list-style-type: none"> <li>• bring people together to reduce social isolation and/or;</li> <li>• increase basic skills (literacy &amp; numeracy).</li> </ul>
4. Equity and social inclusion	<p>People with mental health problems experience better health, quality of life &amp; independence and fewer barriers to achieving their goals.</p>	<p>Your organisation will be working in ways which:</p> <ul style="list-style-type: none"> <li>• develop the assets/aspirations of disadvantaged groups and/or;</li> <li>• increase the engagement, participation, empowerment and influence of disadvantaged groups as well as those who use the service and/or;</li> <li>• provide additional opportunities/added value for individuals or groups facing greater social or economic barriers and/or;</li> <li>• increase access of the most disadvantaged &amp; excluded e.g. financial inclusion, access to services, access to leisure, culture, sport, training, learning and/or;</li> <li>• reduce stigma and isolation e.g. supported self-help; befriending and/or;</li> <li>• utilise peer support &amp; mentoring to connect people/groups/services/sectors.</li> </ul>
5. Building strong communities	<p>People feel connected, involved, rich in networks and able to contribute in their communities, with increased participation among those who have been least represented in the past, delivered through:</p>	<p>Your organisation will be working in ways which:</p> <ul style="list-style-type: none"> <li>• promote asset based community development approaches and/or;</li> <li>• increase the skills, capacity, leadership of Voluntary, Community, and Social Enterprises e.g. business support/facilities for community use and/or;</li> <li>• build capacity for co-production and/or;</li> <li>• reduce crime/anti-social behaviour and/or;</li> <li>• inspire and involves young people and/or;</li> <li>• channel profits/resources into philanthropy/community trust/sponsor awards/ contributes 'in kind' e.g. to time bank and/or;</li> <li>• add value to the local community e.g. staff volunteering, sharing facilities, complementary services delivered to community.</li> </ul>