



MANCHESTER CITY COUNCIL

Manchester City Council

National Non-Domestic Rates policy
document - areas of local discretion

Operational from 1 April 2024

1. Introduction and scope

As part of its role in the administration of National Non Domestic Rates (NNDR) (more commonly referred to as business rates and referred to as such in this document), the Council has several areas where it can exercise its discretion to provide a reduction to the amounts of business rates that are due to be paid.

Changes to local government finance now mean that the income from business rates directly impacts on the Council's financial position.

This policy document outlines the areas of local discretion and the Council's approach to the various discounts. This approach is cognisant of the impact on both the Council's wider financial position and council tax payers, as well as the organisations and businesses that may apply for discounts and their role in supporting Manchester residents and developing the city. Where there is potential for multiple reliefs to be claimed, the Council will award relief in a way that minimises costs to Manchester residents.

This document covers the following areas of discretionary relief provided for by the Council, including measures introduced in response to Covid-19 and cost of living pressures:

- Discretionary Rate Relief Scheme;
- Hardship Relief;
- Local Business Rates Discounts that are funded locally;
- Locally Business Rates Discounts that are wholly funded by central government;
- Local Business Rates Discount that are wholly funded by Central Government up to a maximum grant threshold; and
- Enterprise Zones.

The Council's approach to discounts provided under Section 44a of the Local Government Finance Act relating to partial occupation is excluded from this document and is covered by a separate policy document.

Where the Council exercises its discretion to award relief, it is now has the discretion to consider retrospective applications that are made for a relief period that is more than six months after the end of the financial year to which it relates back to 1 April 2023.(as defined by S47 of the Local Government Finance Act 1988 as amended by Local Government and Rating Act 1997, S3, P23).

Any award granted will be made as a credit to the business rates account. If the account is in credit as a result, this can be refunded on request to the ratepayer. If there are arrears on other accounts in the name of the account holder, the Council will consider whether it is appropriate to use any credits to clear other money owed rather than refunding the credit.

The Council expects that payment of the rates due is made pending the result of any application for relief. Failure to make the required payments will result in recovery action in accordance with the debt recovery policy.

Decisions taken on discretionary reliefs within this policy are made under delegated powers given to the City Treasurer within the Council's constitution.

Applications for relief must be made on the Council's application form. Applications should be submitted with the supporting information that is requested. Any applications submitted without the supporting information will be assessed solely on the information that is available at the time the decision is taken.

Forms can be found here: [Money off your business rates | Business rates relief and exemptions | Manchester City Council](#)

2. Discretionary Rate Relief Scheme

The Local Government Finance Act 1988 requires the Council to maintain a Discretionary Rate Relief Scheme to consider applications for business rates relief of up to 100% to certain organisations which operate within specified criteria. This includes:

- Charitable bodies (who receive mandatory 80% relief). The Council has further discretion to 'top up' this relief to 100% of the rates due.
- Registered community amateur sports clubs (CASCs) (who receive mandatory 80% relief). The Council has further discretion to 'top up' this relief to 100% of the rates due.
- Non-profit making organisations. The Council has discretion to grant discretionary rate relief of between zero and 100% of the business rates due.

We will invite applications from charities, CASCs and non-profit making organisations under the discretionary scheme. Applications made by agents must include written confirmation signed by the ratepayer that the application is being made on their behalf. The state aid declaration on the application form must be signed by the ratepayer.

In determining applications, the Council can:

- grant relief up to a maximum of 100% of the rates due;
- grant relief for a sum less than 100% of the rates due; or
- refuse any application for relief.

Applications should be made promptly, but as long as applications for any discretionary reliefs are made in good time to allow a decision to be made before the end of September in the current year, they will be applied from the beginning of the previous financial year if appropriate.

The Council reserves the right to cancel or reduce any award of discretionary relief covered in this section if the business in receipt of that award is found to be behaving in a way that is not in the best interests of Manchester residents.

2.1 Charitable bodies (charities)

Mandatory rate relief of 80% is granted to charities in the following circumstances:

- The ratepayer of a property is a charity or the trustees of a charity, and
- The property is wholly or mainly used for charitable purposes (including charity shops, where the goods sold are mainly donated and the proceeds are used for the purpose of the charity).

Registration under the Charities Act 1993 is conclusive evidence of charitable status. Bodies which, under the 1993 Act, are exempted from registration are also eligible for mandatory relief. Providing the above criteria are met, 80% mandatory rate relief is granted.

As this is a mandatory award, any challenge to the Council's decision can be made through the Council's Corporate Complaints Procedure and then to the Magistrates Court by way of a defence against the application for a liability order, rather than by internal review

In cases where a charity is in receipt of mandatory rate relief of 80%, the Council has discretion to grant up to 20% additional rate relief.

The Council will consider applications for a discretionary rate relief 'top up' from charities based on their own merits, on a case-by-case basis. The principal consideration is that any relief is in the best interests of the taxpayers of Manchester City Council, as the Council must bear the cost of any relief granted.

In determining the application, the following matters will be taken in to consideration:

- How the charity supports and links into the Council's corporate vision and priorities;
- The purpose of the charity and the specific activity carried out within the building for which the relief is requested; and
- Whether the charity operates at a local or national level and where appropriate, the local and national funding streams and financial position of the charity.

2.2 Registered Community Amateur Sports Clubs

Mandatory rate relief of 80% is granted to registered community amateur sports clubs (CASC). To qualify as a CASC, a sports club must fulfil all the following criteria:

- Open to the whole community;
- Run as an amateur club;
- Be a non-profit making organisation; and
- Aim to provide facilities for, and encourage people to take part in, eligible sport.

In cases where a CASC is in receipt of mandatory rate relief of 80%, the Council has discretion to grant up to 20% additional rate relief as a discretionary 'top up'.

The Council will consider applications for a discretionary rate relief 'top up' from CASCs based on their own merits on a case-by-case basis. The principal consideration is that any relief is in the best interests of the taxpayers of Manchester City Council, as the Council must bear the cost of any relief granted.

In determining the application, the following matters will be taken in to consideration (list is not exhaustive):

- How the CASC supports and links into the Council's corporate vision and priorities;
- The membership and fee structure and whether the CASC is accessible to all residents, including whether there are concessions for certain groups, for example people on a low income or young people under 18;
- Membership numbers and the number and percentage of these members that are Manchester residents;
- If the CASC has due regard to equality issues and if it actively encourages members from under-represented groups, for example black and minority ethnic residents, people over 50 and people with disabilities; and
- Whether facilities are available to the wider community regardless of ability.

We will also require additional financial information including:

- If the CASC runs a bar or food provision, the level of income from this activity and how this money is used; and
- Whether the CASC operates at a local or national level and where appropriate, the local and national funding streams and financial position of the CASC.

2.3 Non-profit making organisations

The Council has the power to grant discretionary rate relief of up to 100% of the rates due to other non-profit making organisations. The relief could be given to properties used by non-profit making organisations for recreational, charitable or philanthropic purposes or in connection with education, social welfare, science, literature or the fine arts.

The Council will consider applications for discretionary rate relief from non-profit making organisations on their own merits on a case-by-case basis.

The principal consideration is that any relief is in best interests of the taxpayers of Manchester City Council, as the Council must bear the cost of any relief granted.

In determining the application, the following matters will be taken into consideration (list is not exhaustive):

- How the organisation supports and links into the Council's corporate vision and priorities;
- Whether the facilities provided include education and/or training for members as a whole or for special groups;

- The extent to which the facilities provided reduce the demand for Council services or produce savings;
- Any membership and fee structure and whether the facilities are accessible to all residents, including whether there are concessions for certain groups, for example people on a low income or young people under 18;
- If covered by a membership scheme, membership numbers and the number and percentage of these members that are Manchester residents; and
- If the organisation has due regard to equality issues and if its facilities are used by all members of the community, for example black and minority ethnic residents, people over 50 and people with disabilities.

We will also require additional financial information including:

- If the organisation runs a bar or food provision, the level of income from this activity and how this money is used; and
- Whether the organisation operates at a local or national level and where appropriate, the local and national funding streams and financial position of the organisation.

2.4 Decision making process for Discretionary Rates Relief applications

Applications where the financial award would be less than £50,000 per annum based on an annual rates bill will be considered by a panel made up of:

- The Head of Corporate Finance – Financial Management
- The Head of Corporate Revenues; and
- The Business Rates Manager or one of the Business Rates Team managers.

Where the application is refused, any requests for a review of the decision should be made within 28 days of the decision letter and will be considered by the Deputy City Treasurer and/or the Head of Finance (Corporate Core).

Applications where the financial award would be more than £50,000 per annum based on an annual rates bill would be considered by a panel made up of:

- The Business Rates Manager;
- The Deputy City Treasurer; and/or
- The Head of Finance (Corporate Core).

Where the application is refused, any requests for a review of the decision should be made within 28 days of the decision letter and will be considered by the City Treasurer.

3. Hardship Relief from Business Rates

3.1 Background

The Council is able to exercise its discretion under Section 49 of the Local Government Finance Act 1998 to provide either partial or full relief from business rates in cases of hardship where it would be reasonable to do so having due regard to the interests of council tax payers in general.

3.2 Eligibility Criteria

The Council will consider applications for hardship relief from individuals and organisations based on their own merits on a case-by-case basis. Applications made by agents must include written confirmation signed by the ratepayer that the application is being made on their behalf. The state aid declaration on the application form must be signed by the ratepayer.

The impact of Covid-19 will not automatically qualify a business for hardship relief.

When deciding whether to award hardship relief, as well as being confident that the organisation is experiencing hardship, the principal consideration will be that any relief is in best interests of the taxpayers of Manchester City Council, as the Council must bear the cost of any relief granted.

Hardship relief will not normally be paid to cover commercial risk or where claims have resulted from a failure to carry out due diligence.

Any award granted will normally only offer short term help and be made as a credit to the business rates account. If the account is in credit as a result this can be refunded on request to the ratepayer.

3.3 Decision making process for Hardship Relief applications

Applications will be considered by a panel made up of:

- The Head of Corporate Finance – Financial Management
- The Head of Corporate Revenues; and
- The Business Rates Manager or one of the Business Rates Team managers.

Where the application is refused, any requests for a review of the decision will be considered by either the Deputy City Treasurer or the Head of Finance (Corporate Core).

The Council reserves the right to cancel or reduce any award of discretionary relief covered in this section if the business in receipt of that award is found to be behaving in a way that is not in the best interests of Manchester residents.

4. Local Business Rate Discount – funded locally

Section 69 of The Localism Act 2011 amends Section 47 of the Local Government Finance Act 1988 and allows the Council to grant locally determined business rate discounts (in addition to the already available discretionary rate reliefs).

The power recognises that the current business rates scheme is broadly prescribed by central government and its aim is to provide increased flexibility to local authorities to support organisations, recognising the variations in economic conditions across and within local authority boundaries.

The Council will invite and consider exceptional applications for a local business rates discount from organisations, based on their own merits and on a case-by-case basis.

When deciding whether to award a local business rates discount, the principal consideration will be that in granting any discount there should be a resultant substantial, positive impact for residents and taxpayers in the city, as the Council must bear the cost of any relief granted.

The following criteria will also be taken into account when considering applications:

- Whether the organisation provides substantial and essential long-term benefits to both the community and the council tax payer, such as increasing employment or improving amenities available to the local community; and
- Consideration of whether there are other businesses in the area which provide the same or similar services or facilities and whether the award could have an anti-competitive effect on other businesses in the city.

Applications made by agents must include written confirmation signed by the ratepayer that the application is being made on their behalf. The state aid declaration on the application form must be signed by the ratepayer.

Any award will be made as a credit to the business rates account. If the account is in credit as a result this can be refunded on request to the ratepayer.

The Council reserves the right to cancel or reduce any award of discretionary relief covered in this section if the business in receipt of that award is found to be behaving in a way that is not in the best interests of Manchester residents.

4.1 Decision making process for Local Business Rate Discount – funded locally

Applications will be considered by a panel made up of:

- The Business Rates Manager;
- The Head of Corporate Revenues
- The Head of Corporate Finance.

Where the application is refused, any requests for a review of the decision should be made within 28 days of the decision letter and will be considered by the City Treasurer or nominated representative.

5. Local Business Rates Discount that are wholly funded by Central Government

There are three schemes administered by the Council, where any relief granted is

wholly funded by central government subject to specific criteria.

These are:

- Relief for Local Newspapers
- Retail Discount, renamed Expanded retail Discount from 1 April 2020
- Additional help for businesses in receipt of Small Business Rates Relief

The Council will be using its discretionary powers under section 47 of the Local Government Finance Act 1988 as amended to grant relief. Central government will fully reimburse the Council using a grant under section 31 of the Local Government Act 2003.

5.1 Relief for Local Newspapers

5.1.1 Background

Government has determined that the Council can use its discretionary powers to provide a £1,500 business rates discount for office space occupied by local newspapers, up to a maximum of one discount per local newspaper title and per hereditament, and up to state aid limits, for 2 years from 1 April 2017.

The Council has agreed to use these powers and invites applications from organisations that meet the criteria.

5.1.2 Eligibility Criteria

This relief has been reintroduced from 1 April 2020 and extended to include 2024/25. Applications should be made in writing. Applications made by agents must include written confirmation signed by the ratepayer that the application is being made on their behalf. The state aid declaration within the application form must be signed by the ratepayer.

Any award will be made as a credit to the business rates account. If the account is in credit as a result this can be refunded on request to the ratepayer.

5.4 Retail Discount

5.4.1 Background

In the Budget on 29 October 2018, the Government provided for a Business Rates Retail Discount scheme for occupied retail properties with a rateable value of less than £51,000 in each of the years 2019-20 and 2020-21. The value of the discount was 33%. In January 2020 it was increased to 50%. The March 2020 Budget further increased it to 100% for the 2020/21 financial year and expanded the range of businesses who could qualify, to include the hospitality and leisure sectors, due to Covid-19. It is to be applied after mandatory reliefs and other discretionary reliefs have been applied.

For 2021/22 the discount was further amended to provide 100% relief for the first three months of the year, reducing to 66% from 1 July 2021. Eligibility is further limited by funding caps:

- £2 million for qualifying ratepayers required to close by the Government due to Covid-19; or
- £105,000 for all other qualifying ratepayers.

For 2022/23 the discount was set at 50% relief for the full year, with the same funding caps.

For 2023/24 the discount was set at 75% relief for the full year, with the same funding caps.

For 2024/25 the discount has remained at 75% relief for the full year, with the same funding caps.

5.4.2 Eligibility Criteria

The 75% relief has been applied automatically to all businesses which the Council believes qualify.

Applications made by agents must include written confirmation signed by the ratepayer that the application is being made on their behalf. The state aid declaration within the application form must be signed by the ratepayer.

5.5 Decision making process for Local Business Rate Discounts that are wholly funded by government

Entitlement is determined by The Business Rates Manager in accordance with central government guidance

Where the application is refused, any requests for a review of the decision will be considered by the Head of Corporate Revenues.

The Council reserves the right to cancel or reduce any award of discretionary relief covered in this section if the business in receipt of that award is found to be behaving in a way that is not in the best interests of Manchester residents.

Any award will be made as a credit to the business rates account. If the account is in credit as a result this can be refunded on request to the ratepayer.

6. Enterprise Zones

Enterprise Zones were announced by the government in the 2011 budget. There are a number of Enterprise Zones across the country. Their aim is to stimulate business growth in designated areas by providing financial incentives and simplified planning arrangements to businesses and to councils. The aim is that they will provide jobs and drive local and national growth.

There are currently no active Enterprise Zones in Manchester.

7. Applications and review process

All applications for discretionary discounts should be made using the Council's online application forms. Where there is no online form a paper form can be downloaded instead. The Council also requires evidence to support applications, the details of which will be included on each claim form. Forms can be found here: [Money off your business rates | Business rates relief and exemptions | Manchester City Council](#)

The Council will expect the applicant to include all information that they wish to be considered with the application.

If an applicant is dissatisfied with the outcome of their application, they can ask for a review of that decision.

8. Award periods

All areas of discretionary relief will normally be granted for up to one financial year or as stipulated by government conditions for Local Business Rates Discount wholly funded by central government.

If necessary, any relief will be subject to an annual review process. The Council reserves the right to review the award should the circumstances of the organisation change during the period of the award.

9. Policy Review

This policy will be reviewed on an annual basis or sooner if there is a change in legislation that would affect its operation.