

National Non-Domestic Rates - Policy on Granting Discretionary Rate Relief

Introduction

The District Council has considered how it should use its discretionary powers to give extra rate relief to voluntary and charitable type groups in Hart. This paper sets out the Council's policy and the criteria it will use in deciding whether to give extra rate relief.

The Council is committed to ensuring:

- clear and relevant criteria
- the criteria is objectively applied
- the criteria is communicated to all the relevant organisations and individuals

The Council will consider:

- any special circumstances of each case to determine whether there are exceptional reasons which justify a different decision from that which the policy would normally provide. Decisions will not be taken which are inconsistent with the established policies of the Council unless there are relevant and adequate grounds for so doing.
- the views of interested parties in making a decision.

Legislation

Registered charities qualify for an automatic 80% reduction in their Business Rates bill, leaving them with 20% of the bill to pay. Since the Council has no choice in the award of the 80% mandatory relief, the cost is met in full against the authority's contributions to the non-domestic rating pool. The Council may increase the amount of relief to 100%, however, 75% of the extra relief given must be met by the Council and its Council Tax payers.

Relief from the payment of rates can also be given to certain other non-profit making organisations that have charitable objectives but are not registered charities. This relief is called Discretionary Rate relief. Where discretionary relief is given to those organisations, the authority and its Council Tax payers will have to meet 25% of the cost and the remaining amount is met against the authority's contribution to the non-domestic rating pool.

The types of organisations that can be considered for discretionary rate relief are set out in the Local Government Finance Act 1988. They are:

Charities that are ratepayers occupying properties used for charitable purposes.

- Non-profit making organisations that are not registered charities but whose objectives are 'charitable, philanthropic or religious, or concerned with education, social welfare, science, literature or the fine arts'.
- Properties used mainly for recreation where the occupier is a non-profit making club, society or other organisation.

The Council is unable to consider an application for rate relief from any organisation that does not meet one of these criteria.

Practice notes issued by the DLTR give advice on what sorts of criteria should be used in deciding whether discretionary rate relief should be given. This advice has been taken account of in this report.

Our approach to rate relief

The District Council fully recognises the valuable role that voluntary organisations can and do play in the life of the community.

The District Council believes that it is important for the District Council and voluntary organisations within Hart to work together to develop the services and facilities the community needs.

Essential features of organisations to be assisted

The organisation must meet the legislative requirements. The following aspects of the way voluntary groups operate are important in helping establish whether the group should be considered for relief. They are:

- policies on equal opportunity.
- policies on freedom of access and membership.
- that the people of Hart actually benefit from the work of the organisation.

Equal opportunities

Any organisation seeking rate relief should be able to demonstrate that the way it operates does not discriminate against any section of the community.

Open access

Any organisation seeking rate relief should be able to demonstrate that it does not have restrictions on membership that exclude sections of the community from being able to use their facilities.

The level of membership fees may be considered to deny open access. There will be cases where a voluntary group only provides a service or facility for people with recognised special needs and in these cases, a strict application of 'open access' may be inappropriate.

Who benefits from the service or facility?

The Council and its Council Tax payers will be meeting part of the cost of rate relief. It is important therefore that organisations show that the facilities or services they provide benefit mainly the people living in Hart.

If the membership of an organisation live mainly outside the district, it is unlikely to be granted discretionary rate relief.

Other criteria to be taken into account

Grants

Some organisations applying for extra rate relief may receive grants from the Local Authority. This will not necessarily preclude the organisation from applying for discretionary rate relief.

How much relief should be granted?

Each application for relief will be considered on its merits.

Sports, recreational clubs and other clubs

The Council will not normally grant relief to sports, recreational clubs and other clubs supported financially by private companies where the company would meet the cost of rates or any financial deficit, or where financial support already given by the company is substantial.

Income from bars

The Council will not normally grant relief to any club where the bar is, in practice, the main purpose for belonging to or attending a club. The criteria used will be whether the bar is the main purpose of the premises or whether it is just part of the facilities provided in the premises.

Mandatory relief and the granting of discretionary relief as a top up

Registered charities already in receipt of 80% mandatory relief may apply for top up discretionary relief (i.e. to give them effectively up to 100% relief from their rates bill).

Where such an application is made the Council is likely to consider the application more favourably where the charity is local rather than nationally based.

Procedure for granting relief

The District Council will decide whether or not to grant relief to an applicant and the rate at which relief will be given.

Appeals against the decision of the District Council will be decided by the Cabinet Member. The appellant will need to demonstrate that the Council's decision has not been made in accordance with the policy or criteria set out in this paper.

All appeals should be in writing.