

# Non-Domestic Rate Discretionary Rate Relief Policy

For Charity and Non-Profit Making Organisations - 9 November 2017

DRAFT

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## 1. Background

- 1.1 This policy sets out the Council's intentions for dealing with discretionary rate relief applications and has been designed to ensure that all customers making an application for rate relief are treated in a fair, consistent and equal manner.
- 1.2 The provisions for awarding discretionary relief are set out in Sections 43,45, 47 and 48 of the Local Government Finance Act 1988, as amended by the Localism Act 2011 and the Non-Domestic Rate (Discretionary Rate Relief) Regulations 1989 (SI 1989/1059). These provisions allow all authorities to grant discretionary rate relief in any circumstances where the Council feels it is reasonable to do so having regard to the interests of the Council Taxpayers of the district.
- 1.3 This policy embodies and supports some of the key themes and priorities of the council being open for business, putting people first and providing excellent value for money services.
- 1.4 The policy has been written to:
- Demonstrate how West Lindsey District Council will use its discretionary powers to grant relief
  - Determine guidelines for the factors to be considered when making a decision to award relief
  - Establish an appropriate appeals procedure for customers dissatisfied with a decision
  - Safeguard the interest of local council taxpayers by ensuring that funds allocated in respect of relief are used in the most effective and economic way
- 1.5 The cost of awarding discretionary rate relief is now split between central Government, billing authorities and major preceptors on a fixed percentage basis. At West Lindsey the split is as below:

Central Government	50%
West Lindsey District Council	40%
Lincolnshire County Council	10%

- 1.6 Addendums to this Policy will include time limited specific local discretionary rate relief schemes.

## 2. Criteria used in the decision making process

- 2.1 The criteria to be used in deciding whether or not to award discretionary rate relief are based on assessing how an organisations work helps achieve the Council's key themes and how they meet the community needs for services and facilities.
- 2.2 Discretionary rate relief can be awarded under the following headings:
- Charities and Kindred Organisations
  - Community Amateur Sport Clubs
  - Rural Area

- 2.3 It is possible for a voluntary organisation to apply for 100% discretionary rate relief and for registered charities entitled to the mandatory 80% relief to apply for the additional 20% discretionary relief 'top up' if they meet the eligibility criteria.
- 2.4 Every application will be considered on an individual basis.
- 2.5 The Council will need to be satisfied that value for money is being provided to the taxpayers of West Lindsey and in making awards consideration will be given to the financial impact on the Council and whether this is an organisation already funded by the Council.
- 2.6 Relief may be refused if it is determined that the cost to the taxpayers outweighs the benefit that will be gained by the award of the relief.
- 2.7 The finances of the organisation will be examined prior to any award being granted.
- 2.8 Organisations that meet the qualifying criteria for small business rates relief will not be considered for discretionary rate relief until they have applied for small business rate relief. This will reduce the financial contribution on the authority.

### **3. Organisations not eligible for Discretionary Rate Relief**

- 3.1 Discretionary relief cannot be given in respect of a hereditament, where all or part of it is occupied (otherwise than as a trustee) by:-
- A billing authority;
  - A precepting authority other than charter trustees; or
  - A functional body, within the meaning of the **Greater London Authority Act 1999**.
- 3.2 In addition, under this policy, the following organisations will not normally qualify for discretionary rate relief and these include: Housing Associations, Leisure Trusts, Voluntary Schools, Academies, Colleges and Universities or similar. This is because they have access to other funding streams

### **4 Mandatory Rate Relief**

#### **4.1 Charities and Kindred Organisations**

The conditions to be satisfied before a billing authority can consider awarding Discretionary relief on an occupied hereditament are that:-

- The ratepayer is a charity or trustees for a charity and the hereditament is wholly or mainly used for charitable purposes; or
- The ratepayer is an organisation which is not established or conducted for profit and whose main objectives are charitable and they are either:
  - established for philanthropic or religious purposes or
  - concerned with education, social welfare, science, literature or the fine arts or

- occupied as a club or society

#### 4.2 Community Amateur Sport Clubs

Discretionary relief can be awarded to a Community Amateur Sports Club (CASC) that is already in receipt of mandatory relief. Where mandatory relief has been awarded the council may pay a 'top up' resulting in up to 100% relief being awarded.

#### 4.3 Rural Areas

Discretionary relief may be awarded where the rateable value of the hereditament at the beginning of the financial year concerned does not exceed the prescribed rateable value. The amount prescribed for England is currently £16,500 and it is not anticipated this will increase in the near future.

Where mandatory relief has been awarded the council may pay a 'top up' resulting in up to 100% relief being awarded.

### 5. Levels of Discretionary Rate Relief

See Appendix A

### 6. Applying for Discretionary Rate Relief

- 6.1 Business rate payments remain legally due and payable in accordance with the most recent bill until such time as any rate relief is awarded.
- 6.2 In order to claim Discretionary Rate Relief, the ratepayer must provide the Council with all of the information necessary to consider the application. An application form is appended to this document at Appendix B.
- 6.3 Applications may only be made by the ratepayer personally or, where the ratepayer is a body corporate, a person authorised to act on behalf of the ratepayer.
- 6.4 Application forms will set out the evidence requirements that need to be met for a decision to be made. The Council may request any reasonable evidence in support of an application for Discretionary Rate Relief and will make such requests in writing. The ratepayer should provide the evidence within one month of the request.
- 6.5 If the ratepayer does not provide the required evidence, the Council reserves the right to either treat the application as withdrawn or to consider the application in the absence of the missing evidence which may result in relief being refused. However, the Council may disregard any unsubstantiated statements or draw its own conclusions from other evidence available.
- 6.6 The Council may in any circumstances verify any information or evidence provided by the ratepayer by contacting third parties, other organisations and the ratepayer.

- 6.7 New ratepayers occupying a property part way through a financial year should apply at the time they move in. Applications for discretionary rate relief should be made within the financial year for which relief is being sought. Accepting applications made after this time will be at the discretion of the council and in any event applications have to be determined by law within six months of the end of the financial year for which relief is being sought.
- 6.8 If the applicant is a non-profit making organisation, the two most recent sets of annual accounts will need to be provided. Accounts will need to have been either audited, approved by a general meeting of the organisation (minutes of the meeting will be required) or independently verified and signed by two officers of the organisation (one of whom must be the person who has prepared them).
- 6.9 An application for Discretionary Rate Relief must be completed for each financial year, or part thereof, but the total period for which relief can be granted should not exceed 12 months unless exceptional circumstances exist. Renewal forms will be issued by the council and once returned will be checked to ensure that entitlement still exists. Where an application form is not returned the relief will not be re-awarded and the organisation will be sent a rate bill for the full charge.
- 6.10 Advice and information will be issued to all business ratepayers with their bills. It will also be available on the Council's website and from staff dealing with enquiries from ratepayers. Wherever possible we will identify any new ratepayer who may qualify under this policy and provide them with information and guidance at the earliest opportunity.

## **7 Decision Making Process and Administering Applications**

- 7.1 The City of Lincoln/North Kesteven District Council partnership will undertake the administration of applications for Discretionary Rate Relief in accordance with the framework agreement for the provision of business rates services. Any requests for relief outside the policy provisions will be made, with recommendations, to the Section 151 Officer at West Lindsey District Council for a decision to be made.
- 7.2 Any rate relief will be awarded by means of a reduction shown on the business rate bill issued to the ratepayer. Where this puts the account in credit it will be refunded.
- 7.3 The assessment scorecard used in determining applications for Discretionary Rate Relief is listed at Appendix C.

## **8 Criteria Guidelines for Assessment**

The organisation will need to demonstrate how its use of business property contributes to the council's priorities.

## 8.1 Village Halls

Village Halls are public buildings run by dedicated groups of volunteers who have responsibility for all aspects of management of the building in line with current legislation. It is recognised that village halls play important roles in their community as they provide a facility for social, recreational and cultural activity.

In recognition of the importance of village halls within rural communities top up relief will be awarded up to the sum of £2,000 per annum.

## 8.2 Membership/Access

- Is membership open to everyone?  
We would expect membership of the organisation to be open to all sections of the community with the principle of open access. However, this would not apply where legitimate restrictions are required which relate, for example, to ability in a sport or to the achievement of a standard in the field covered by the organisation or where the capacity of the facilities is limited.
- Is there a waiting list?  
Consideration will be given as to whether there is a waiting list for residents to join.
- What are the membership fees?  
Membership fees should not be at such a high level as to exclude the general public.
- Are there any other restrictions on membership?  
Consideration will be given as to whether membership has restrictions and the reasons for the restriction.
- Are the facilities made available for non-members egg: schools/public sessions?  
Consideration will be given as to whether non-members are able to use the facilities and whether or not there is a fee to use these facilities.
- Are the facilities aimed at a particular group?  
Consideration will be given as to whether the organisation actively encourages membership from particular groups in the community eg: young people, women, older age groups, people with disabilities or from minority ethnic groups etc.
- Are the facilities well-advertised?  
Consideration will be given as to whether the organisation actively advertises itself to the general public.

### 8.3 Provision of Facilities

- Are the facilities educational/training/sporting  
Consideration will be given as to whether the organisation provides training or education for its members or schemes for particular groups to develop their skills eg: young people (scout/guide groups), people with disabilities, etc.
- Is the organisation the only one in the area?  
Consideration will be given as to whether this is the only organisation providing such facilities in its area or if others provide similar.
- Are there licensed facilities on site?  
The mere existence of bar facilities on site will not in itself be a reason for not granting relief, but the main purpose of the organisation will be examined.  
Where an alcohol licence exists consideration will be given into how much additional revenue the facility raises for the organisation.  
The intention of this paragraph is to prevent full discretionary rate relief being granted in circumstances where an organisation's members have regular access to licensed bar facilities.

### 8.4 Additional Information

- Is membership predominately from the residents of West Lindsey?  
Favourable consideration will be given to organisations providing services exclusively for West Lindsey residents.
- Does the organisation receive additional funding eg: grants, funding from private companies, commercial suppliers?  
The financial position of the organisation will be considered and in particular its income and ability to receive additional funding through other means.
- Does the organisation receive additional funding from WLDC?  
Consideration will be given into whether or not WLDC already provides funding to the organisation.

## 9 Period of Award

- 9.1 If discretionary relief is awarded by the billing authority, the effective date of any entitlement can be backdated to the beginning of the financial year (ie 1<sup>st</sup> April) in which the determination is made (subject to the relevant conditions being satisfied).
- 9.2 Awards will be made for a fixed period of one year ending on 31<sup>st</sup> March and ratepayers in will be advised that the relief awarded will end on this date.

## 10 Amount of Awards

The maximum amount of discretionary rate relief payable in respect of any premises will be £2,000 per application per annum.

## **11 Notification of Decision**

11.1 The Council will inform ratepayers of the outcome of the application within 28 days of making a decision to either grant or not grant Discretionary Rate Relief.

11.2 The Council will notify those whose application is successful, of the following:

- The amount of rate relief awarded and their revised liability
- The period of the award
- A summary of the reasons for the award
- Any requirement to notify the Council of changes in circumstances that could affect the award.
- What happens next year
- The appeals process, for cases where the rates payable have not been wholly remitted

11.3 The Council will notify those whose application is unsuccessful of the following:

- The reasons why the Council have decided not to grant an award
- The appeals process

## **12 Appeals**

12.1 Ratepayers who are aggrieved by a refusal to grant relief or by the amount of relief awarded may challenge the decision via Judicial Review, on the grounds that the Council has failed to act reasonably in exercising its discretion.

12.2 In keeping with good customer care practices and principles of open Government, this policy provides for an independent review of any decision to take place within sensible boundaries. If the decision is clearly in keeping with the policy intention but the grounds for review seek to challenge the policy itself, the case will be held over and considered only as part of the next normal policy review cycle. Where the application of the policy itself is being challenged, then the ratepayer concerned will be invited to give reasons why they think the decision is wrong and impartial reconsideration will then be given to their case.

12.3 Any appeals will be reconsidered by the Appeals Board whose decision will be final.

12.4 Once the Board has considered the appeal, the applicant will be informed of the decision and notified that any further appeal could only be on a point of law and this would need to be by way of judicial review to the High Court.

## **13 State Aid**

All discretionary relief is subject to the de-minimis rule under State Aid. State Aid is the means by which the European Union regulates state funded support to businesses. This means that any business cannot receive financial support from government over the set threshold of €200,000 over 3 years. It is the business's responsibility to inform the Council if they are in receipt of Government aid through other sources.

## 14 Exceptions to this policy

In accordance with the Council's constitution the Section 151 Officer may determine discretionary rate relief applications which fall outside of the scope of this policy.

### Appendix A

The level or rate relief award that MAY be granted for the different categories of ratepayer.

<b>Charities</b>	<b>Maximum Mandatory Rate Relief Possible</b>	<b>Maximum Discretionary Rate Relief Possible</b>
Charity shops selling wholly or mainly donated goods	80%	NIL
Charities where members have regular access to licenced facilities	80%	NIL
Any charities not covered in the above categories	80%	20%
Registered Community Amateur Sports Clubs (CASCs) where members have regular access to licenced bar facilities	80%	NIL
Registered Community Amateur Sports Clubs (CASCs) with no bar on site	80%	20%
Community Centres/Community Associations and other registered charities responsible for paying rates on Community Centres and Village halls	80%	20%
Certain voluntary aided, voluntary controlled, grant and foundation schools including private schools, leisure trusts, universities, colleges and academies	80%	NIL
Local Heritage Projects	80%	20%
Essential community services eg: hospice, Samaritans where counselling services, visiting rooms etc are provided	80%	20%
Museums – if they are not occupied by a precepting authority	80%	20%
Housing Associations registered as charities	80%	NIL
Recreations community based clubs or societies eg: youth clubs, boy scouts, girl guides (who are not registered charities)	80%	20%

NB: Discretionary Relief is capped at £2,000 per application per annum.

<b>Other Not for Profit making organisations</b>	<b>Maximum Mandatory Rate Relief Possible</b>	<b>Maximum Discretionary Rate Relief Possible</b>
Philanthropic organisations that are not charities but are community based	NIL	100%
Religious organisations that are not charities but that promote an understanding of religion that leads to a greater awareness of religious differences within the community	NIL	100%
Scientific organisations that are not charities but that promote an awareness of science	NIL	100%
Literature and fine arts that are not charities but promote an awareness of literature and fine arts	NIL	100%
Training centres/training organisations that are not charities but that offer schemes for particular groups to develop their skills eg: young people or unemployed	NIL	100%
Community Centre, Community Associations, Agencies, Community Resource Centres which are not charities or conducted for profit and which occupy premises that provide a community focal point	NIL	100%
Private nurseries and day care	NIL	NIL

NB: Discretionary Relief is capped at £2,000 per application per annum.



Non Domestic Rate Team  
 PO Box 15257  
 Lincoln  
 LN5 5PQ  
 Telephone: (01522) 873342  
 Website: [www.west-lindsey.gov.uk](http://www.west-lindsey.gov.uk)

**APPLICATION BY A REGISTERED CHARITY ORGANISATION  
 CLAIMING RELIEF FOR MANDATORY AND/OR DISCRETIONARY  
 RATE RELIEF IN RESPECT OF NON DOMESTIC RATES**

**Local Government Finance Act 1988, Sections 43, 45, 47 and 48**  
 Please complete **ALL** questions

<b>PART A – Particulars of the charity or organisation</b>	
Property Reference Number	
Property Address of Premises for which relief is claimed	
Name and Title of the Organisation	
Telephone Number	
Email Address	
Charity Commission Registration Number	
Date of Registration	
If exempt from registration, please state grounds	
Please give precise details of the activities carried out at the premises	
Does any other organisation use the property or part of it? If YES, please give brief details	
Please describe the charity or organisations main	

purpose and objectives	
How does the use of the property satisfy the objectives of the organisation?	
Name and address of the Secretary, or person to whom future correspondence should be sent	
<b>PART B – Details of Premises</b>	
Does the organisation own the property?	YES / NO
If NO, who is the owner of the property?	
And who is the leasee?	
Is the property empty?	YES / NO
If YES, please supply the following information:  Was the last organisation the last occupier of the property?  Is it expected that this organisation will be the next occupier of the property?	YES / NO  YES / NO
<b>PART C – Section(s) under which relief is being claimed</b>	
Section 43/45 (which refers to Mandatory Relief)	YES / NO
Section 47/48 (which refers to Discretionary Relief)	YES / NO
<b>PART D – Details of Premises (Discretionary Relief Only)</b>	
Are the premises used solely for administration purposes? Eg: office accommodation	YES / NO
Is the property a Village Hall	YES / NO
Is the property used for the sale of goods?	YES / NO
If YES, please state the percentage of goods which are:	Donated: _____

	<p>New goods purchased for sale</p> <p>_____</p> <p>Other (Please specify)</p> <p>_____</p> <p>% of sales used to support the objectives of the charity _____</p>
If YES, please state what percentage of your floor space is used for the sale of donated goods?	
If YES, please state what percentage in terms of sales is due to the sale of donated goods?	
Are all the staff voluntary?	YES / NO
<b>PART E - Access</b>	
Is the membership open to anyone?	YES / NO
Is there normally a waiting list to become a member?	YES / NO
Is there a membership fee payable? How much is the membership fee per annum?	YES / NO £
Can non-members such as schools/ public use the facilities? Please provide examples and details of charges made	YES / NO
Are the facilities aimed at a particular group? Eg: disabled, elderly, young please provide details	
How does the organisation publicise its activities?	
<b>PART F – Provision of Facilities</b>	
Please detail the general nature of the activities: eg sporting, educational, training etc .	

<p>Is this the only organisations in the immediate area providing these facilities?</p> <p>If NO, please provide details</p>	<p>YES / NO</p>
<p>Are there licenced facilities on the premises?</p> <p>If YES, please provide details of the type of licence held, the frequency of the use of the bar facilities and the amount of gross income this facility raises for the organisation.</p>	<p>YES / NO</p>
<p><b>PART G – Other Information</b></p>	
<p>Is the membership open only to the residents of West Lindsey?</p> <p>If NO, please supply further information regarding membership.</p>	<p>YES / NO</p>
<p>Does the organisation receive any external funding other than voluntary fund raising eg: grant aid, funding from private companies, commercial donations?</p> <p>If YES, please provide details of amount and from whom</p>	<p>YES / NO</p>
<p>Does the organisation receive a grant from WLDC? (this does not include specific community grants)</p> <p>If YES, please provide details</p> <p>Is there any other information you wish to provide in support of your claim?</p>	<p>YES / NO</p>
<p><b>PART H – Evidence Required in Support of Application</b></p>	
<p>In order to support your application for Mandatory Rate Relief, please provide copies of the following documents:</p>	<p>Constitution and Rules of Organisation <input type="checkbox"/></p> <p>Last published accounts <input type="checkbox"/></p> <p>Charity registration index slip or copy of Letter extract as supplied <input type="checkbox"/></p>

by the charity commissioners

**Declaration and Privacy Notice:**

**Data Protection Act**

Data Protection – We are asking for this information in accordance with the provisions of the Local Government Finance Act 1988 and the Data Protection Act 1998, S.29. It will be used to help us determine your liability for and collect your Business Rates. It may be shared with other sections of this Council, with other Councils and with other public bodies to determine liability for Business Rates, to collect Business Rates, to assess and collect other Taxes and Duties, to help detect and prevent fraud, to help detect and prevent crime and to carry out public duties.

**Fair processing notice**

This authority is under a duty to protect the public funds it administers and to this end may use the information you have provided on this form for the prevention and detection of fraud. It may also share this information with other bodies responsible for auditing or administering public funds for these purposes. For further information, see [www.west-lindsey.gov.uk/fairprocessingnotice](http://www.west-lindsey.gov.uk/fairprocessingnotice) or email [finance@west-lindsey.gov.uk](mailto:finance@west-lindsey.gov.uk)

**Privacy notice**

You can view full details of our privacy notice on our website at: [www.west-lindsey.gov.uk/privacy-notice](http://www.west-lindsey.gov.uk/privacy-notice).

**Statement**

**Warning: Deliberately giving false information could lead to prosecution**

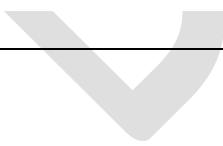
I understand the following:

You will use the information I have provided to determine my liability for and to collect my Business Rates.

You may get information about me from, and give information about me to, other sections of the Council, with other councils and with other government departments to:

- determine liability for and collection of Business Rates
- update details for other payments due to the council
- collect other taxes and duties
- help detect and prevent fraud/crime

I declare that the information I have given on this form is complete and accurate to the best of my knowledge and I understand that West Lindsey District Council may check the information given.

<b>Signature</b>		<b>Print Name</b>	
<b>Date (DD/MM/YY)</b>	/ /	<b>Capacity in which Signed</b>	

**Please return your completed form to**

**Non Domestic Rate Team, PO Box 1257, Lincoln, LN5 5PQ**

## Appendix C - Assessment Scorecard

Assessment	Details	Response	Score
<b>Access</b>			
1	Is the membership open to everyone?	YES	2 points
		NO	0 points
2	Is there a waiting list?	YES	0 points
		NO	2 points
3	What is the membership fee?	Under £60 per year	1 point
		Over £60 per year	0 points
4	Are there restrictions on membership?	YES	0 points
		NO	1 point
5	Are the facilities made available for non-members eg: schools/ public sessions?	YES	1 point
		NO	0 points
		With NO Fee	1 point
		With FEE	0 points
6	Are the facilities aimed at a particular group?	YES	1 point
		NO	0 points
7	Are the facilities well-advertised	YES	1 point
		NO	0 points
<b>Provision of Facilities</b>			
8	Are the facilities educational/training/sporting?	YES	2 points
		NO	0 points
9	Is the organisation the only one in the area?	YES	1 point
		NO	0 points
10	Are there licensed facilities on site?	YES	0 points
		NO	2 points
	Amount of gross income of bar takings – if sales total less than £2,000 per year	Less than £2,000 per year	2 points
	Amount of gross income of bar takings – if sales total more than £2,000 per year	More than £2,000 per year	0 points
<b>Other Information</b>			
11	Is membership predominately from WLDC?	YES	1 point
		NO	0 points
12	Does the organisation receive additional funding eg: grants, funding from private companies, commercial suppliers?	YES	0 points
		NO	1 point
13	Does the organisation receive additional funding from WLDC?	YES	0 points
		NO	1 point

**Maximum Points = 20**

**Recommendations for amount of discretionary rate relief:**

Less than 10 points	No relief
10 - 12 points	50% relief
13– 15 points	75% relief
Over 16 points	100% relief

**NB:**

Maximum amount in discretionary relief for all bodies is £2,000 per application per year.

**For further information please contact the Revenues Section  
on 01427 676566**

If you would like a copy of  
this in large, clear print, audio,  
Braille or in another language,  
please telephone

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