



## **DISCRETIONARY RATE RELIEF UNDER SECTIONS 47 (2)(a), 47 (2)(b) & 47 (3) OF THE LOCAL GOVERNMENT FINANCE ACT 1988**

### **POLICY FRAMEWORK**

The following tables describe the guidelines that will be applied by the Council in deciding whether or not to grant discretionary relief and for determining the amount of relief to be granted.

#### **General principles for the award of relief**

Each application for discretionary rate relief will be considered on its own merits having regard to the Council's Community Strategy and Financial Plans. The % relief indicated in these guidelines may not therefore be granted in full or at all. There may be circumstances where it is appropriate to award less, or even no relief to an organisation and it is recommended that the following additional factors be taken into account in determining whether the maximum available relief will be awarded:

- Is the organisation operating at a financial surplus (as a guide an amount in excess of 12 months spending in reserves would generally not be considered for discretionary relief unless a Business Plan exists detailing how these reserves are to be used to the benefit of the local community).
- Whether the organisation employs staff or relies heavily on unpaid volunteers.
- Does the organisation provide a service that duplicates or saturates previous service provision? Generally relief should only be granted to an organisation that compliments other services supported or provided by the Council or relieves the need for the Council to provide such services.
- The organisation should not seek to promote or support political parties.
- Consideration will be made of the financial impact on the council and its taxpayers in making awards. Relief may be refused or capped if it is considered that the cost to the Council outweighs the benefit that will be gained from the award of the relief.
- If the organisation is a national charitable organisation, generally relief will not be awarded.
- As a general rule Trading Arms of charities will not be granted relief.

**1. Applications from Charities already in receipt of the statutory 80% mandatory relief.**

<b>Category</b>	<b><u>% top-up relief</u></b>
<b>Community Centres/Community Associations and other registered charities responsible for paying rates on Community Centres and Village Halls</b>	Usually 20%
<b>Community Resource Centres</b>	Usually 20%
<p><b>Training Centres/Training Organisations offering schemes for particular groups to develop their skills e.g. young people, unemployed people etc.</b></p> <p>Generally relief will be limited to the 80% mandatory element for national charities, with the discretion to award up to 10% top- up relief for regional* charity training organisations and up to 20% for local charity training organisations.</p> <p>A cap will be imposed on the award of relief when the charity occupies training premises with a rateable value in excess of £40,000.</p>	Up to 20%
<p><b>Charity Shops</b></p> <p>Generally relief will be limited to the 80% mandatory element for shops occupied by national charities, with the discretion to award up to 10% top up relief for shops occupied by regional* charities and up to 20% for shops occupied by local charities.</p> <p>Where a charity shop does not sell donated goods (and therefore does not qualify for mandatory relief) discretionary relief will be capped at 80% to be aligned with the level of mandatory relief that can be awarded to charity shops.</p> <p>A cap will be imposed on the award of relief when the charity occupies a shop with a rateable value in excess of £40,000.</p>	<p>Up to 20%</p> <p>Up to 80%</p>
<p><b>Charity Offices</b></p> <p>Generally relief will be limited to 80% mandatory element for national charities, with the discretion to award up to 10% top up relief for regional* charity offices and up to 20% for local charity offices.</p> <p>A cap will be imposed on the award of relief where the charity occupies offices with a rateable value in excess of £40,000.</p>	Up to 20%
<b>Local Heritage Projects</b>	Up to 20%
<b>Essential Community Services eg CAB, Hospice, Samaritans</b>	Up to 20%

<p><b>Warehouses, Workshops, occupied by charities providing services / facilities that meet a need identified as being a priority for action.</b>  Generally relief will be limited to the 80% mandatory element for national charities, with the discretion to award up to 10% top- up relief for regional* charity workshops and up to 20% for local charity workshops.</p> <p>A cap will be imposed on the award of relief when the charity occupies a premises with a rateable value in excess of £40,000.</p>	Up to 20%
<p>Applications from any charitable organisations that do not fall within any of the standard categories for awarding relief will be considered on their merits, having regard to the Council's Community and Financial Plans the general principles for awarding relief as described on page 1 of the policy and consideration of the following factors – community access, level of fees, facilities/services provided.</p>	Up to 20%

\* Regional is where a charity has operations that run outside SBC boundaries

## 2. Applications from Non-Registered Charities

Where appropriate, the following criteria will be applied to calculate the amount of relief (if any) to be granted:

Relief to be awarded as  
% of total rate liability

Community Resource Centres, Community Associations/Agencies/ Centres which are not conducted for profit and which occupy premises that provide a community focal point.

Usually 100%

Remaining applications from non-registered charities (other than the above Community organisations):

Base Qualification

Organisation not established or conducted for profit, whose main objects are charitable, philanthropic or religious, or concerned with education, social welfare, science, literature or the fine arts

50%

Access

Majority usage by the Council's residents

Add 10%

Open membership	Add	10%
Some restriction on membership	Add	5%
Very restricted membership rules	Deduct	50%
<u>Level of Fees</u>		
High Membership fees	Deduct	50%
<u>Facilities/Services</u>		
Organisation targets disadvantaged groups	Add	10%
Assist in education/skills training	Add	10%
Meet priority need identified in Community Plan	Add	10%
Bar/gaming machine present	Deduct	20%
<u>Other</u>		
New organisation (less than 3 years old)	Add	5%
Facility is a community focal point	Add	10%
<b>TOTAL RELIEF</b>	<b>Maximum</b>	<b>100%</b>