



# Discretionary Rate Relief Policy



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## **1.0 Context**

This Discretionary Rate Relief Policy replaces the Council's 'Community Support Grants Policy, including Business Rates Discretionary Relief', as approved in December 2004.

The Voluntary & Community Sector Funding Policy will replace the Community Support Grants element of the previous policy.

The link between the two new policies will be maintained to ensure that organisations that may qualify for rate relief, or grants, are identified and that take-up of entitlements to relief is maximised.

### **1.1 Policy Aim**

This policy sets out the Council's intentions for dealing with discretionary rate relief applications from Charities, Community Amateur Sports Clubs (CASC's), Non-Profit Making Organisations, businesses (specifically post offices and general stores), and other businesses situated within the rural settlements of East Lindsey.

Through this policy, East Lindsey District Council is providing a mechanism to reduce, or remove the rates liability for such charities and non-profit making organisations, and certain rural businesses, that are providing valuable facilities and services to communities within East Lindsey.

This Policy aims to standardise the process of administration of applications for Discretionary Rate Relief, and to ensure maximum take-up from potential qualifying organisations, which in turn make a contribution to delivering the Council's ambitions.

### **Our Overall Ambition**

A District with healthy, prosperous, vibrant people and places.

### **Our Ambitions for East Lindsey**

To improve our economic prosperity  
To nurture our distinctive and vibrant communities  
To reduce inequality to improve quality of life

### **Our Ambitions for our Council**

To put residents at the heart of all we do  
To be green, open and ethical  
To be an aspirational, high performing Council

## **2.0 Policy Statement**

The policy applies to any Non-Domestic (Business) ratepayer within the discretionary rate relief qualifying groups and criteria set out in legislation, guidance issued by the Department for Communities and Local Government (DCLG) and this document. (Some businesses or organisations may also receive mandatory rate relief).

This policy has regard to the contribution that businesses and organisations seeking rate relief make to their local communities.

It also has regard to the financial cost to the council taxpayers of the district.

### **3.0 Application and Decision making**

Business rate payments remain legally due and payable in accordance with the most recent bill, until such time as any relief is awarded.

Written applications will be required for each individual case. The Council will ensure the application forms for discretionary rate relief are made available to ratepayers on request, as well as through the Council's website.

Where it is necessary, the ratepayer may be required to provide further information to support their application.

Application forms and guidance notes will set out the evidence requirements that need to be met for a decision to be made. Failure to provide evidence will delay the decision making process.

The Non-Domestic (Business) Rates Team can provide assistance or advice to any organisation or business in the completion of applications.

All qualifying businesses and organisations are required to notify East Lindsey District Council of any change in circumstances that may affect their entitlement to Discretionary Rate Relief.

### **4.0 How Applications are Processed**

All applications under this policy will be administered within the Non-Domestic (Business) Rates Team.

To ensure a proper separation of duties, consistency and due diligence, decisions will be made independently of the administration process, by the Revenues Service Manager, or Head of Customer Services.

The 'Business Support and Finance' Portfolio Holder will consider applications that fall outside of the policy provisions, in consultation with a Director.

#### **4.1 Notification of Decision**

Successful applications will be notified of the amount of Discretionary Rate Relief awarded by the issue of a new Rate Demand Notice. The rate relief will be awarded by means of a reduction shown on the business rates bill issued to the ratepayer. Where this puts the account in credit for the year, a refund will be made.

Unsuccessful applicants will be notified in writing, and reasons for the decision will be given.

## **4.2 Timescales**

Wherever possible applications should be made within the financial year for which the relief is being sought. Accepting applications 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.

## **4.3 Annual Review**

All qualifying applications will need to be renewed annually if relief is to continue into the next financial year.

Businesses and Organisations will be invited to renew their application for the next financial year. When completed forms are returned, they will be checked to ensure entitlement still exists, and, if so, the relief will be awarded for a further year.

Where a review form is not returned, relief will not be awarded, and the business or organisation will be sent a rate bill for the full charge.

## **5.0 Qualifying Criteria**

### **5.1 Charities, Non-Profit Making Organisations and Community Amateur Sports Clubs (CASC's)**

Non-Profit making organisations are those whose main objectives are charitable, philanthropic or religious in nature, or are concerned with education, social welfare, science, literature or the fine arts. They might also be a club, society or other organisation not established or conducted for profit, which occupies a property. These organisations will be eligible to apply for up to 100% rate relief (subject to capping limit see section 7).

Registered charities and Community Amateur Sports Clubs (CASC's) will be able to apply for 'top-up' of their rate relief, taking the potential relief to a full 100% (subject to capping limit see section 7). This requirement will exclude some charities, for example schools and charity shops.

We will expect membership of any organisation to be open to all sections of the community, and be in line with the Council's Race Equality Scheme and Equality and Diversity Strategy.

Membership rates must not be set at such a level they exclude the general community. In general, organisations must demonstrate that the criteria by which it considers applications for membership are consistent with open access.

We will also take into account: -

- ❖ Whether facilities are made available to people other than members (for example, schools).
- ❖ Whether the organisation provides training or education for its members, or schemes for particular groups to develop their skills (for example young people; people with disabilities or retired people).

- ❖ Whether the organisation is local or national, and its connections within East Lindsey's area.

In addition, organisations applying for relief will be expected to demonstrate a clear link to the Ambitions contained in East Lindsey's Corporate Strategy, as detailed in Section 1.

Applications for rate relief must be accompanied by the following information: -

- ❖ Copies of the last 2-years audited accounts \*
- ❖ Evidence of the organisation's Equal Opportunity Policy being compatible with ours
- ❖ Details of other sources of funding
- ❖ They have documented community support from the local parish or town council and from the local ward member(s)

\* Accounts for organisations seeking discretionary rate relief will be checked to ensure that reserves do not exceed 12 months running costs. Where reserves do exceed 12 months running costs, the organisation will be required to demonstrate that the reserves are being generated for a large project. In such cases, the applicant will be required to provide details of the project, including timescales and costs.

Organisations who have no planned large project, but hold in excess of 12 months running costs will not be entitled to discretionary rate relief.

## **5.2 Village Halls**

Village halls are public buildings run by dedicated groups of volunteers, who have the responsibility for all aspects of management of the building in line with current legislation. Village and community 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 local communities, and alignment with the council's Corporate Strategy, top-up discretionary rate relief, to 100%, will be awarded in all cases.

## **5.3 Rural Businesses**

This relief applies to properties meeting specific criteria, which are in settlements with a population of 3,000 or less, and are within a designated rural area. The settlements are identified in the Council's 'Rural Settlement List', which is reviewed and produced annually.

Discretionary Rural rate relief is available for post offices and general stores, subject to certain rateable value restriction where they are the only post office or general store in the rural settlement. They will be eligible to apply for 100% rate relief.

Any other business in a defined rural settlement may apply, but will need to demonstrate some exceptional nature of business, or benefit to the local community.

## **6.0 Promoting and communicating this policy**

Advice and information is available on the Council's website, and from the Non-Domestic Rates team.

Renewal applications and reviews will be sent to all organisations and businesses that are receiving discretionary rate relief at that time.

Where possible, we will identify any new ratepayer who may qualify under this policy and provide them with information and guidance at the earliest opportunity.

The Discretionary Rate Relief Policy links with the Voluntary & Community Sector Funding Policy, and details of applications will be shared to ensure maximum take-up of entitlement to relief and grants.

## **7.0 Relief Awards by Category**

All discretionary awards will only be granted up to 31<sup>st</sup> March of the financial year for which the award relates. Continuation of relief will be subject to reapplication or review. Renewal applications and reviews will be sent to all organisations and businesses that are receiving discretionary rate relief at that time.

Rate Relief is awarded at different levels for different categories of qualifying organisations and businesses. These are shown at Appendix A.

In all circumstances, discretionary rate relief will be awarded to the full extent on offer, unless this exceeds £2,000, in which case relief will be granted to this amount only.

## **8.0 Who is affected by the Policy?**

- ❖ Business Ratepayers
- ❖ Members, customers and staff of organisations and businesses eligible for rate relief.
- ❖ The Council Taxpayers of the district who meet part of the cost.

## **9.0 Complaints and Appeals against decisions**

Any customer who feels they have not been correctly dealt with can use the Council's Customer Feedback procedure to make their complaint.

If you are unhappy with the decision made, you must submit details in writing to the Revenues Service Manager, accompanied by all supporting evidence within 30 days of notification of the decision.

Although there is no legal right of appeal against the Council's decisions on discretionary rate relief applications (except by judicial review), in keeping with good customer care practice and principles of open government, this policy provides for a review of any decision to take place.

Decisions on awarding discretionary rate relief are made on the basis of the relevant criteria, and you must be able to demonstrate that you can satisfy all of these in any review lodged.

Your case will be reviewed and where the outcome remains the same, the case will be presented to the Executive Board Councillor responsible for Non-Domestic (Business) Rates for further consideration. The final outcome of your review will be notified to you within 30 days.

## **10.0 Related Policies and Strategies**

- ❖ Voluntary & Community Sector Funding Policy
- ❖ Corporate Strategy
- ❖ Equality and Diversity Strategy

<b>Category of Ratepayer</b>	<b>Mandatory Rate Relief</b>	<b>Potential Discretionary Rate Relief</b>	<b>Cost of Discretionary Rate Relief met by Council Tax payers</b>
Charity shop	80%	Nil	Nil
Certain voluntary and foundation schools	80%	Nil	Nil
Village Halls	80%	20%	75%
Other charities meeting application criteria	80%	20% *	75%
Registered Community Amateur Sports Clubs (CASC's)	80%	20% *	75%
Non-Profit Making Organisations meeting criteria	Nil	100% *	25%
The only village store and the only village post office in a rural settlement where the rateable value is £8,500 ** or less	50%	50%	25%
Food stores with rateable values of £8,500 ** or less in rural settlements	50%	Nil	Nil
Any businesses with rateable values of £16,500 ** or less in rural settlement which is of benefit to the local community and meets the criteria	Nil	Relief amount not specified in policy – cases considered individually on merit	

\* Discretionary rate relief will be awarded to the full extent on offer, unless this exceeds £2,000, in which case relief will be granted to this amount only.

\*\* These rateable value thresholds reflect the figures used by the Government for the purposes of its Rural Rate Relief Scheme – the figures quoted here relate to the 2010 Rating List; lower figures apply for earlier Rating Lists and the Business Rates Team at East Lindsey District Council can advise you of these.