

Harlow Council

Non Domestic Rates Discretionary Relief Policy

1. Introduction

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, and other businesses which meet the specified criteria and are situated within Harlow.

The policy aims to provide clear guidance for the administration of applications the Council receives for Discretionary Rate Relief. It will ensure consistency in dealing with these applications and encourage maximum take-up from those qualifying organisations. Through this policy, Harlow Council is providing a mechanism to reduce, or remove the business rates liability for such charities, non-profit making organisations, and also to businesses that are experiencing financial hardship.

Impact assessment

An equality impact assessment was undertaken as part of a policy review process and following consultation with recipients of relief at that time. It has been concluded that there is no significant impact in any of these areas.

Background

The Local Government Finance Act 1988 provides for Non-Domestic Rate relief to be awarded for certain types of organisations and businesses.

The Council can grant discretionary relief to:

1. Charitable organisations, including Community Amateur Sports Clubs (CASCs) that have registered with the Inland Revenue. (up to 20%, as they are already eligible for 80% mandatory rate relief).
2. Other organisations or institutions that are not established for profit and whose main objects are charitable or otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts (up to 100%).
3. Properties occupied by not-for-profit sports or social clubs or societies, or other organisations for the purpose of recreation. (up to 100%).
4. A ratepayer experiencing difficulty paying where it is in the best interest of its council tax payers to grant 'Hardship' relief (up to 100%).
5. Discretionary Rate Relief under the Localism Act 2011, which allows a Local Authority to grant discretionary relief (up to 100%)

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Some of the cost of the scheme is borne by Central Government from the National Non Domestic Rating (NNDR) pool.

The cost to the Council of granting rate relief varies according to the circumstances of the requesting applicant. This is summarised in the table below:

Type of Rate Relief	Amount of relief	Percentage met by Central Government NNDR Pool	Percentage met by Harlow Council
Mandatory relief for charitable organisations and CASCs	80%	50%	50%
Additional discretionary relief for charitable organisations and CASCs	Up to a further 20%	50%	50%
Discretionary relief for other eligible non profit making organisations	Up to 100%	50%	50%
Discretionary relief on grounds of 'Hardship'	Up to 100%	50%	50%
Discretionary relief under the Localism Act	Up to 100%	0%	100%

3. Applications for Rate Relief

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

The Council can provide assistance or advice to any organisation or business on the completion of applications. Where it is necessary, the ratepayer may be required to provide further information to support their application.

If an organisation moves address within the period that they are receiving rate relief, a fresh application will need to be made for the new address. Relief will not automatically be carried forward to the new property.

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

4. How Applications are processed

The Council wishes to promote equality between organisations when granting discretionary rate relief. When considering an application it will consider the general guidelines set out in this policy and previous awards of relief to bodies of a similar nature to the applicant body.

The Council's Revenues and Benefits service will administer all applications for Discretionary Rate Relief.

Any relief granted under this policy is discretionary and the fact that various criteria are met does not automatically ensure that relief is granted

The criteria used in determining eligibility for rate relief are based on an assessment of:

- how the work of the organisation furthers the work of the Council and provides a tangible benefit to the community.
- whether an award of discretionary relief would be in the interest of the Council Tax payers of the Harlow Council who partly fund any relief

The table below identifies instances where the Council is more likely or less likely to grant discretionary rate relief

Categories	Examples
Organisations engaged in these activities may be entitled to discretionary rate relief if the required criteria are satisfied:	<ul style="list-style-type: none"> • Community engagement • Health and welfare • Children • Youth services (Scouts, guides, cadet groups) • Older people • Fine Arts • Employment and Training • Community Centres • Community Amateur Sports Clubs • Crime Reduction • Animals and Wildlife • Local Museums
the Council will not usually award discretionary relief to organisations engaged in these activities	<ul style="list-style-type: none"> • Charity shops • Overseas Aid organisations • Administration offices for national charities • Schools/Colleges • Social Clubs

5. General criteria

The table below identifies general criteria that will be considered in deciding whether to award discretionary relief.

Criteria	Guideline Considerations
Meets local needs and benefits local people	<ul style="list-style-type: none"> • If the premises are used for the purposes of a national organisation the Council will not normally grant any discretionary relief • If the premises are used for a semi-national (or county-wide) organisation, the extent to which the District and its residents benefit will be taken into account • Would the amenities of an area be worsened by the business ceasing operations? • Does the organisation provide training or education
Political Affiliation	<ul style="list-style-type: none"> • Discretionary relief will not be granted to organisations with a political affiliation.
Other sources of funding	<ul style="list-style-type: none"> • The Council will consider whether the applicant organisation is receiving any form of financial assistance from the Council, other organisations, private companies or commercial suppliers. • The Council will not normally provide relief where it already provides core funding or receives services under a contract arrangement. • There should be no duplication of financial support to the organisation and there should be no relief where the cost of rates could be met by any of the above bodies.
Annual turnover, value of assets or unallocated reserves	<ul style="list-style-type: none"> • Where an organisation has unallocated reserves greater in value than 12 months running costs, the organisation will be required to demonstrate the reasons for holding those reserves • 2 years audited accounts will usually be required to support any application

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<p>Do the organisations aims and purpose fit with the strategic objectives of the Council?</p>	<ul style="list-style-type: none">• Applications for relief will be considered favourably from organisations that enhance or supplement the work of the Council and tie in with Corporate Objectives.
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5a Charitiy criteria

Criteria	Guideline Considerations
Does the body have an actively trading function, for example a shop or bar?	<ul style="list-style-type: none"> The mere existence of a bar or retail outlet will not in itself be a reason for not granting relief, but the main purpose of the organisation will be examined and its ability to trade will be a consideration in determining and award granted.
Meets local needs and benefits local people	<ul style="list-style-type: none"> Applications for relief will be considered favourably from organisations that can provide strong evidence of the benefit of the business to the community. Examples of benefits might include free delivery for local people, reduced charges for unemployed/elderly, free or subsidised use of facilities or support towards community activities and events.

5b Non Profit Organisations, Clubs and Societies criteria

Criteria	Guideline Considerations
Sports clubs	<ul style="list-style-type: none"> Sports Clubs can receive 80% mandatory relief if they register as a Community Amateur Sports Organisation (CASC). These clubs can supplement this with discretionary relief of up to 100%. Sports Clubs not registered as a CASC are eligible to apply for up to 100% discretionary relief where they meet some or criteria set out in this policy.
Access and Membership	<ul style="list-style-type: none"> It is not the Council's general policy to grant relief to bodies that operate a restrictive membership policy unless there are legitimate reasons for those restrictions which may include space limitations or where a group is set up for the benefit of a group with particular needs or requirements. Membership rates should not be at such a high level as to exclude the general community. Membership or attendance must not be restricted to exclude the characteristics protected within the Equality Act 2010 Members should live mainly within the District. Applications for relief will be considered favourably from

	<p>organisations that make their facilities open to the general community as well as its own members</p> <ul style="list-style-type: none"> • The Council will favour applications from organisations that provide training and education to members, organisers or any other groups of people
Does the body have an actively trading function, for example a shop or bar?	<ul style="list-style-type: none"> • The mere existence of a bar or retail outlet will not in itself be a reason for not granting relief, but the main purpose of the organisation will be examined and its ability to trade will be a consideration in determining and award granted.

5c Hardship criteria

Harlow Council will look for evidence that the business is in financial hardship and will require evidence of how the business came to its financial position. The Council will not grant relief to businesses that are experiencing hardship due to the applicant's own improvidence.

Criteria	Guideline Considerations
Meets local needs and benefits local people	<ul style="list-style-type: none"> • Applications for relief will be considered favourably from organisations that can provide strong evidence of the benefit of the business to the community. Examples include where a number of local people are employed by the business, where sole facility in area of operation
Will an award of discretionary rate relief help the business survive	<ul style="list-style-type: none"> • Details of how the business came to its financial position and how the granting of any discretionary relief will help the organisation survive must be provided. The Council will favour cases where there is a real need for relief and where relief will help the business survive.
Does the ratepayer own any other business?	<ul style="list-style-type: none"> • Details of any other business owned by the ratepayer will be considered. This will indicate if the owner could rely on the income of another branch of business. It will also indicate if the profits of one business could be invested in the applicant business to aid survival.

5d Local Discretionary Relief

Criteria	Guideline Considerations
Meets local needs and benefits local people	<ul style="list-style-type: none"> • Applications for relief will be considered favourably from organisations that can provide strong evidence of the benefit of the business to the community. Examples include where • A) a number of local people are employed by the business, where sole facility in area of operation. • B) the ratepayer provides facilities to certain priority groups such as elderly, disabled, minority groups, disadvantaged groups • C) the ratepayer provides residents with services, opportunities or facilities that cannot be obtained locally or are not provided locally by another organisation.
Will an award of discretionary rate relief help the business survive	<ul style="list-style-type: none"> • Details of how the business came to its financial position and how the granting of any discretionary relief will help the organisation survive must be provided. The Council will favour cases where there is a real need for relief and where relief will help the business / organisation survive. • The ratepayer must demonstrate that the relief will be for a short time only, and that any business or operation is financially viable in the medium and long term.
Does the ratepayer own any other business?	<ul style="list-style-type: none"> • Details of any other business owned by the ratepayer will be considered. This will indicate if the owner could rely on the income of another branch of business. It will also indicate if the profits of one business could be invested in the applicant business to aid survival.
Is the ratepayer eligible for other mandatory or discretionary reliefs	<ul style="list-style-type: none"> • Local relief will not be granted where the ratepayer is entitled to either mandatory or discretionary rate relief.
Premises are occupied	<ul style="list-style-type: none"> • The ratepayer must occupy the premises, no relief will be granted for unoccupied premises.

The Council recognises that there will be occasions when an applicant body does not satisfy the above criteria. These criteria are not restrictive and nothing in them shall be taken as restricting

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the Council's ability to depart from its general policy as to the granting of relief if it sees fit to do so, bearing in mind the facts of each case.

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6 Who will decide whether to approve application?

The Council's Revenues and Benefits Service will administer all applications for Discretionary Rate Relief and determine the amount of discretionary relief to be awarded.

Notification of the Decision

Successful applications will be notified within 28 days of the date of the decision, or as soon as practicable, 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.

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

All discretionary awards will only be granted up to 31st March of the financial year for which the award relates, and a new application will be required annually.

Appeal

Any appeal against the decision must be made in writing, and will be considered by the Head of Finance in consultation with the Cabinet Member for Resources. A written response to the appeal will be sent to the Ratepayer within 28 days of the decision, or as soon as practicable.