

Discretionary Rate Relief Policy
Under Sections 47 (2)(a), 47 (2)(b) and 47(3) of the Local Government Finance Act
1988

General guidelines

Each application for discretionary relief will be considered on its own merits and the council will have regard to the council's overall priorities and financial plans.

The guideline percentages indicated on the matrix may not be granted or may be reduced in some instances. In some circumstances it may be appropriate to award less than indicated in these guidelines or not to award any relief to an organisation.

It is recommended that the following additional factors should be taken into account when determining whether the maximum available relief will be awarded:

- Is the organisation operating at a financial surplus?
In the case of sports clubs, leisure and community centres and other buildings occupied by charities or not – for profit organisations relief may be reduced if there is an operating surplus or income from bar profits exceeds £20k or 10%.
- Whether the organisation employs staff or relies on unpaid volunteers.
- Whether the service duplicates or supports other service provision.
Generally relief would only be considered for an organisation that compliments other services supported or provided by the Council or relieves or assists the Council with the provision of such services.
- The organisation must not be such that it seeks to promote or support political parties.
- Consideration will be made of the financial impact on the council and its taxpayers in making awards to any organisation. Relief may be refused or capped if it is considered that the cost to the Council and the taxpayers of Hillingdon outweighs the benefit that Hillingdon taxpayers, as a whole, may gain from the award of relief. For this reason Hillingdon has indicated ceiling RV caps for different organisation types.
- All applications will be scrutinised to ensure the validity of information supplied and to ensure that Hillingdon's taxpayers receive value for money from any "investment"

made in the form of relief to an organisation. Failure to supply the appropriate information to aid the decision making process will mean that applications may be refused.

- Since 1 April 1990 this Council has granted an additional 20% discretionary relief to the 80% mandatory relief given to Scouts and Guides, youth associations and community groups, provided the group is affiliated to the Youth and Community Services department. This has effectively provided 100% assistance with the rate liability on Scout huts, halls and community centres, etc and the council would wish to continue with this to aid to promote the social welfare of the community.
- In addition Members have decided to grant the 20% discretionary relief to an additional but **specific** group of charities. These were those charities associated with medical research and medicine, providing benefits to the community as a whole, plus organisations that the Council deems to compliment other services supported or provided by the council, relieving the need for the council to provide such services. Members have specifically excluded the additional 20% relief being considered to those associated with education, literature and fine arts.
- Members seek to encourage sports clubs to apply for CASC status and thus qualify for 80% mandatory relief and up to 20% discretionary top up. The Council recognises that this may be cost prohibitive for smaller organisations. Therefore discretionary relief will continue to be considered up to the current maximum of 80% for sporting clubs with an RV of less than £10,000 RV.
- 'Temporary Measures for Discretionary Rate Relief

The Government has stated that it will provide funding for rate relief of up to £1,000 to all occupied retail properties with a rateable value of £50,000 or less in respect of the financial years 2014/15 and 2015/16. In addition the Government will exempt all newly built commercial property completed between 1 October 2013 and 30 September 2016 from empty property rates for the first 18 months, up to the state aids limits. It is for the Council to adopt and administer a local scheme whereby it will decide in each individual case whether to grant rate relief, or an exemption using its discretionary powers, under section 47 of the Local Government Finance Act 1988 as amended by the Localism Act 2011.

Emergency Measure 2014 Flood Relief

The Government will reimburse local authorities who use their discretionary relief powers to grant relief in line with its published eligibility criteria. Please see matrix

In the event that any further fully funded and temporary measures for discretionary rate relief are introduced by the Government in the future, the Council will administer and adopt suitable local schemes which are necessary to give effect to Government statements and guidance."

The following matrix summarises the guidelines for the award of discretionary relief.

Discretionary Rate Relief Guidelines

| Type of Organisation | Mandatory relief | Criteria/Comments | Alignment to Council Priorities | Rate of Discretionary Relief |
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| <p>(1) Charity Shops</p> <p>(a) Registered Charity</p> <p>(b) Non-registered charity shop</p> | <p>80%</p> <p>0%</p> | <p>Charity shops must demonstrate that they sell predominately donated goods to qualify for mandatory relief. Generally registered charities will receive 80% mandatory relief. Consideration will be made of the percentage of non-donated goods on sale on basis that some of these charities are in direct competition with other local retailers who pay full business rates.</p> | <p>N/A</p> | <p>(a) Up to 20% relief. If more than 30% of goods are not donated then relief will be reduced to 10%</p> <p>(b) Local non-registered charities up to 80% discretionary relief but must demonstrate selling mainly donated goods.</p> |
| <p>(2) Sporting Clubs</p> <p>(a) registered Community Amateur Sports Clubs (CASC)</p> | <p>80%</p> | <p>Consideration of whether clubs provide training, education or recreational activities to be taken into the account. Also income generation from membership and bar to be considered.</p> | <p>Must demonstrate a link to Council's priorities</p> | <p>(a) Up to 20% discretionary relief. Discretionary relief reduced to 10% if a bar is operated and gross profit exceeds £20K or 10% whichever is the lesser.</p> |

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| (b) Non-registered sporting clubs | 0% | Non-registered clubs can apply to HMRC to become a CASC. If accepted they would be entitled to 80% mandatory relief Discretionary Relief will be restricted to non-registered clubs with less than £10,000 RV. | | (b)Up to 80% discretionary relief for clubs with under £10,000 RV. Discretionary relief reduced to 50% if a gross profit from any bar exceeds £20K or 10% of takings whichever is the lesser. |
| (3) Community Centres | | | | |
| (a) Registered charity | 80% | Community centres provide facilities for residents and fulfil a social need. | Must demonstrate a link to council priorities | (a)Up to 20% relief. |
| (b) Non-registered charity | 0% | | | (b)Up to 80% discretionary relief. |
| (4) Leisure Centres | | | | |
| (a) Registered charity | 80% | Leisure facilities fulfil a social need for residents | Must demonstrate sufficient benefit to the community to justify the cost of awarding such relief . No award considered for RV's over £100,000. | (a)Enhancements of the 80% mandatory relief will only be considered where the RV is below £150,000 and will be reduced to 10% if gross surplus exceeds 10%. |

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| (b) Non-registered charity/organisation | 0% | | | (b) Up to 50% relief granted to non registered local charities operating leisure facilities. Reduced to 10% if gross surplus exceeds 10%. No relief above £150,000 RV |
| (5) Youth Clubs, Scouts, Guides, YMCA & Hostelling (a) Registered charity | 80% | Youth clubs provide a valuable resource to the community and often have few grant aided sources of income | Must demonstrate a link to council priorities | (a) Up to 20% discretionary relief. |
| (b) Non-registered charity | 0% | | | (b) Up to 80% discretionary relief. |
| (6) Others (a) Registered charity | 80% | Any application that does not fall under the previous headings will be assessed upon its own merits and in accordance with the application and supporting documents. The council should be satisfied that the premises are wholly or mainly used for charitable purposes (s43 LGFA 1988) and that the premises are used fully. | Consideration will be given to the membership criteria of the charitable organisation and the main purpose of the charity. Any restrictive criteria for membership | (a) Up to 20% discretionary relief for organisations associated with medicine, medical research, and organisations that complement other services supported or provided by the council. Relief will only be provided on properties with an RV below £150,000 with the exception of organisations involved in medical research, or provision of medical care. |

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| <p>(b) Not for profit organisation not registered as charity</p> | | <p>Account will also to be taken of criteria that are restrictive both in membership and recipients of charitable works and therefore discretionary relief will not be awarded</p> | <p>or receipt of charitable intentions will affect any award.</p> | <p>(b) Up to 80% discretionary relief. RV restricted to properties with rateable value under £150,000 Discretionary relief reduced to 50% if gross surplus exceeds 10%</p> |
| <p>(7) Organisations with high levels of membership fees and /or election by existing members</p> | | <p>Account should be taken of criteria that are restrictive (cost etc) and discretionary relief will not be awarded</p> | | <p>No enhancement from 80% mandatory relief.</p> |

Temporary Rate Relief Schemes under the provisions of Section 47 of the Local Government Finance Act 1988(as amended by the Localism Act)

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| Retail Rate Relief Scheme 2014-15 /2015-2016 | | The Council will adopt the Government criteria for awarding relief to retail properties with rateable values up to £50,000 subject to state aid limits | | Up to £1,000 relief awarded after any other deductions have been allowed. Subject to state aid limits |
| New Build Rate Relief Scheme | | The Council will adopt the Governments criteria to exempt qualifying new build properties that are completed between 1 Oct 13 and 30 September 2016 | | Exempt qualifying properties for up to 18 months whilst they are unoccupied subject to state aid limits. |
| Emergency Business Rates Flooding Relief | | The Council will adopt the Government criteria for awarding relief for those hereditaments with rateable values of less than £10m where the hereditament has been flooded in whole or part caused by adverse weather conditions between 1 December 2013 and 31 March 2014 and whose business was adversely affected as a result of this flooding. | | 100% for three months for occupied properties only. |
| Business Rates Reoccupation Relief | | The Council will adopt the Government criteria for awarding relief where empty properties that had previously been used for retail purposes but had been empty for at least 12 months have been re-occupied between 1 April 2014 and 31 March 2016. | | 50% for 18 months after any other relief has been applied. (Subject to state aid limits) |

