

BEDFORD BOROUGH COUNCIL
DISCRETIONARY RATE RELIEF POLICY
EFFECTIVE FROM 1 APRIL 2012

INTRODUCTION

Section 47 of the Local Government Finance Act 1988 enables the Council to exercise discretion to award rate relief in respect of properties occupied by charities and other not-for-profit organisations and to certain properties located in rural settlements.

This document sets out the Council's agreed policy for the award of discretionary rate relief in accordance with section 47 of the Local Government Finance Act 1988. The Policy shall take effect for all applications made in respect of rate liabilities incurred from 1 April 2012 onwards.

DECISIONS

Decisions made under this Policy shall be taken in accordance with the Council's Constitution. Each application shall be considered on its individual merit, but in determining the amount, if any, to be awarded the decision maker shall give due regard to this policy.

MAXIMUM AMOUNT OF AWARDS
(amended 1 April 2013)

The maximum amount of rate relief that shall be awarded under this policy in respect of any one hereditament for any one financial year shall be limited as follows:

- I. Where the award is in addition to an award of mandatory charitable rate relief;
£1,333
- II. In all other cases; **£4,000**

The amount of rate relief awarded in respect of any application shall be calculated according to this limitation.

EXCEPTIONS TO THE POLICY

In accordance with the Council's Constitution the Portfolio Holder with responsibility for this function may determine discretionary rate relief applications which fall outside the scope of this approved Policy.

DURATION OF AWARDS

Each amount of rate relief awarded under this policy shall apply for no more than one financial year at a time but new applications may be made each financial year.

CRITERIA FOR AWARDS TO CHARITIES AND OTHER NOT-FOR-PROFIT ORGANISATIONS

- A. Hereditaments where the rateable value does not exceed **£100,000** occupied by organisations which are not established for profit and whose main objects are charitable, philanthropic, or religious or concerned with education, social welfare, science, literature, or the fine arts and are available to a wide section of the community:-
- (i) To such an organisation (including Community and Village Halls).
Discretionary Relief of 100%
 - (ii) To a similar organisation registered as a Charity and qualifying for 80% Mandatory Relief.
Additional Discretionary Relief of 20%
 - (iii) To a similar organisation restricted to a limited section of the public which is not registered as a Charity, or whose premises are occupied by or provided for persons able to contribute towards the expenses of running the premises.
Discretionary Relief of 50%
 - (iv) To a similar organisation registered as a Charity and Qualifying for 80% Mandatory Relief but restricted to a limited section of the public, or whose premises are occupied by or provided for persons able to contribute towards the expenses of running the premises.
Additional Discretionary Relief of 10%
 - (v) To a similar organisation registered as a charity but who, having regard to the approved guidelines, have sufficient financial resources to meet the whole of their net rate liability. This criteria will not apply where the charity is primarily providing financial assistance to individuals and by refusing relief could reduce their ability to award financial assistance.
Discretionary Relief of NIL
- (i) The following guidelines will apply in respect of criteria (v):
 - (a) Criteria (v) will not apply to organisations who have available unrestricted funds of up to £12,000;
 - (b) For organisations who have available unrestricted funds of £12,000 or more, Criteria (v) will not apply if the available unrestricted funds represent less than six months unrestricted expenditure;
 - (c) For any organisations with available unrestricted funds representing more than six months unrestricted expenditure, the applicant will be required to demonstrate the reason(s) for holding such funds.

B. Hereditaments where the rateable value does not exceed **£25,000** occupied for the purpose of a club, society or other organisation not established or conducted for profit and which are wholly or mainly used for recreation which are not registered as Community Amateur Sports Clubs:-

(i) To such an organisation membership of which is available to all sections of the public, without any qualification standard, whose income level and/or surplus of actual or attainable income over expenditure is:

(a) Consistent with a typical organisation undertaking that activity, and where the social nature of the organisation is incidental to its principal purposes

Discretionary Relief of 75%

(b) Consistent with an organisation undertaking that activity, and where the social nature of the organisation is roughly equal to its principal purposes.

Discretionary Relief of 25%

(c) Consistent with an organisation where the social nature of the organisation is the dominant factor present.

Discretionary Relief of NIL

(ii) To such an organisation which is restricted to a limited section of the public, other than on qualification entry grounds, subject to review in the light of the organisation's available resources.

Discretionary Relief of 25%

(iii) Where a hereditament is occupied by a Community Amateur Sports Club there will be no entitlement to discretionary rate relief.

Discretionary Rate of NIL

(iv) Where an organisation is a registered Community Amateur Sports Club and, as a result of being entitled to 80% Mandatory Rate Relief, ceases to be entitled to Small Business Rate Relief.

Discretionary Rate of 10%

C. Hereditaments occupied wholly or mainly as a shop

(i) To any organisation which occupies a property wholly or mainly as a shop.

Discretionary Relief of NIL

CRITERIA FOR AWARDS IN RESPECT OF PROPERTIES LOCATED IN RURAL SETTLEMENTS

Category No.	Category	Discretionary Relief of
1.	To General Stores and Post Offices which qualify for Mandatory Relief of 50%:	50%
	To food shops which qualify for Mandatory Relief of 50%:	25%
	To Public Houses and Filling Stations which qualify for Mandatory Relief of 50%:	Nil
2.	Where Mandatory Relief would have been awarded to a general store or post office other than for the Rateable Value limit (i.e. properties with Rateable Value between £8,501 and £16,500 in the 2010 Rating List):	100%
3.	To General Stores and Post Offices which do not qualify for Mandatory Relief and which do not come within category 2 above, and	
	to shops which are wholly or mainly used for the retail of general household goods or domestic electrical goods, and	
	to shops which are wholly or mainly used for retail purposes by a butcher, baker, newsagent or chemist, and	
	in all cases are important to the maintenance of village life:	75%
4.	To public houses which do not qualify for 50% Mandatory Relief due to a justices on-licence also being held in respect of another property which is not a traditional village pub:	50%
5.	To Village Shops which are not included in Categories 1, 2 or 3 and which are important to the maintenance of village life:	25%
6.	To Doctors surgeries, hairdressing salons and nursery schools which are important to the maintenance of village life:	25%
7.	To Public Houses and Clubhouses (which are not included in category 1 above) which are important to the maintenance of village life:	25%

8. To premises that provide wholly or mainly motor repairs and/or MoT services: **25%**
9. To premises receiving mandatory rate relief where, were it not for the entitlement to mandatory rate relief, an award of small business rate relief would result in a lower amount to pay:
- An amount equal to the difference between the mandatory rate relief and the amount of small business rate relief that would otherwise be awarded.**

EXCEPTIONS TO THE POLICY

In accordance with the Council's Constitution the Portfolio Holder with responsibility for this function may determine discretionary rate relief applications which fall outside the scope of this approved policy.

INFORMATION TO SUPPORT APPLICATIONS

All applicants are required to complete the Council's rate relief application form.

The Council may request that information and evidence is provided to support an application and in the event that the requested information and evidence is not provided may refuse the application.

APPEALS

A ratepayer dissatisfied with a decision made under this policy may make an appeal to request that the decision be reviewed, with the exception of decisions made by the Portfolio Holder which shall be final.

Requests for the decision to be reviewed should be received by the Council within four weeks of the notification of the award or refusal of an award.

REVIEW OF THE POLICY

The Policy may be reviewed from time to time as considered appropriate and the financial limits contained in this Policy shall be reviewed at least once every five years commencing from April 2015.

NOTES:

1. Where discretionary rate relief is awarded as a top up to the 80% mandatory charitable relief the Council bears 75% of the cost of awarding the discretionary rate relief. The remaining 25% is borne by the national business rate pool.
2. Where discretionary rate relief is awarded as a top up to the 50% mandatory rural relief the Council bears 25% of the cost of awarding the discretionary rate relief. The remaining 75% is borne by the national business rate pool.
3. Where discretionary rate relief is awarded without mandatory rate relief, the Council bears 25% of the cost of relief and the national pool 75%.