

EASTLEIGH BOROUGH COUNCIL DISCRETIONARY RATE RELIEF POLICY

Purpose of this policy

1. Section 47 of the Local Government Finance Act 1988 (LGFA 1988) requires the Council to maintain a Discretionary Rate Relief Scheme that can award up to 100% relief to certain organisations which operate within locally specified criteria.
2. This policy, in conjunction with the Charitable Rate Relief Application Form, provides the administrative framework for the operation of the Discretionary Rate Relief Scheme.

Properties that are considered for relief

3. Those hereditaments where all or part is occupied for the purposes of one or more organisations, which are not established or conducted for profit and their main objectives are:
 - i. charitable;
 - ii. philanthropic;
 - iii. religious;
 - iv. concerned with education, social welfare, science, literature or the fine arts;
 - v. for the purposes of recreation and occupied as a club, or society;
 - vi. the provision of food bank facilities, open to the whole community, where all goods are donated and no financial transactions take place whatsoever; or
 - vii. to be run as a community building serving the whole community and are managed by a voluntary organisation or run by a management committee.
4. Discretionary Rate Relief cannot be awarded if the ratepayer is a billing or precepting authority.
5. Key considerations to awarding the relief will be based on organisations or bodies which:
 - i. meet local needs in the borough and benefit local people – the Council will consider the extent to which the its' residents benefit in determining the level of any discretionary rate relief to be awarded;

- ii. provide a valuable service to the community - services provided should be complementary to those provided or supported by the Council;
- iii. are open to all sections of the community generally, or have restricted access by providing for a specific sector of the community for justifiable reasons such as addressing inequality; or
- iv. can demonstrate that the way they operate does not discriminate against any section of the community.

How much relief will be available?

6. The Council can grant up to 100% relief to qualifying ratepayers.
7. For those organisations qualifying for 80% mandatory rate relief, the Council can grant a further 20% discretionary relief, known as a discretionary “top up”. These organisations are typically:
 - i. registered charities where the property is wholly or mainly used for charitable purposes; or
 - ii. Community Amateur Sports Clubs, which are registered as such with HMRC.
8. The relief will apply to the calculation of the rate liability of the hereditament for each chargeable day, during the period where a decision of the Council operates to apply discretionary rate relief to that hereditament.
9. Discretionary Rate Relief will apply to the net bill after all other reliefs have been taken into account.
10. There are certain hereditaments that the Council will not grant relief on. These include:
 - i. charity shops selling donated and new goods;
 - ii. schools, including academies, voluntary aided, voluntary controlled, church or grant aided; and
 - iii. clubs with a bar on the premises, and the receipts are a large proportion of the turnover.
11. Each application is considered on its’ merits. However, the Council will only make a decision to grant relief once satisfied that it will be reasonable to do so, having regard to the interests of its’ Council Tax payers.
12. Discretionary Rate Relief will be granted to 31 March of the financial year for which the award relates. Continuation of relief will be subject to reapplication or review, as deemed appropriate by the Council.

13. A decision to grant relief may be revoked by a further decision of the Council.

Splits, mergers and changes to existing hereditaments

14. Discretionary Rate Relief is calculated on a daily basis but applied to the rate account to the end of each financial year. Where there is a change to the hereditament as a result of a split or merger, fresh application(s) for discretionary rate relief must be made for the reconstituted hereditament(s).
15. A new application is also required where there is a change of use of the hereditament or an amendment of the organisation's objectives.

Disputes on the granting of relief

16. Decisions on the award or otherwise of discretionary rate relief will normally be taken by the Revenues Manager and the decision will be final.
17. Although not legally required, the Council has an internal appeal process where a report is passed to the Head of Revenue & Benefits to review the decision made.
18. There will be no automatic right of appeal. However, an applicant may make a request for the decision to be reviewed but only where either:
 - i. additional information that is relevant to the application, not available at the time the decision was made, becomes available; or
 - ii. there are good grounds to believe the application or supporting information was not interpreted correctly at the time the decision was taken.
19. A request for a review must be made within four weeks of notification of the decision and must set out the reasons for the request and any supporting information.
20. The right of appeal against a refusal to grant discretionary rate relief is by judicial review under Section 138 of the LGFA 1988. The applicant must submit a Notice of Motion to a High Court Judge and this must state the grounds on which the application is made. If the judge considers that there appears to be reasonable grounds for a challenge, leave will be granted.

Prepared by: Carl Roberts
Designation: Revenues Manager
Date: 12 August 2015

This page is intentionally left blank