

CANNOCK CHASE COUNCIL

NATIONAL NON-DOMESTIC RATES - RATE RELIEF

LOCAL GOVERNMENT FINANCE ACT, 1988 - SECTIONS 43, 45 AND 47

MANDATORY AND DISCRETIONARY RELIEF REGULATIONS

1. Mandatory Relief

1.1 Mandatory relief is at 80% of rates payable and is provided for in Sections 43(5) and (6) and 45(5) and (6) of the Local Government Finance Act 1988.

1.2 To qualify for mandatory relief, the ratepayer must be a charity or trustee for a charity and the hereditament must be wholly or mainly used for charitable purposes. Registration under the Charities Act 1960 is conclusive evidence of charitable status and bodies which, under the 1960 Act, are exempted from registration or are exempt charities are also eligible for mandatory relief.

2. Discretionary Relief

2.1 The authority to grant discretionary relief is provided for in Section 47 of the Local Government Finance Act 1988.

2.2 A charging authority has discretion under Section 47 to grant relief to charities in excess of 80% mandatory relief up to 100%. If relief to charities is increased above the mandatory level, Sections 43(5) and 45(5) are disapplied and the amount of relief is determined by rates determined by the Authority. It also has discretion to grant relief of up to 100% to certain non-profit making bodies.

2.3 To qualify for discretionary relief, two conditions must be met. The first condition is that one or more of the following applies:-

(a) The ratepayer is a charity or trustee for a charity and the hereditament is wholly or mainly used for charitable purposes.

(b) All or part of the hereditament is occupied for the purposes of one or more institutions or other organisations, none of which is established or conducted for profit and each of whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, sciences, literature or the fine arts.

(c) The hereditament is wholly or mainly used for the purposes of recreation and all or part of it is occupied for the purposes of a club, society or other organisation not established or conducted for profit.

2.4 The second condition that must apply is that the charging authority must have taken a decision to the effect that Section 47 applies to the hereditament concerned.

2.5 A decision to grant discretionary relief cannot have effect for any financial year prior to the year in which the decision is made. Relief can be revoked by a further decision of the charging authority. Notice must be given to the ratepayer of any decision to grant, vary or revoke relief. One year's notice is required of any decision that revokes or reduces the relief granted and such a notice must have effect from the expiry of a financial year.

2.6 Authorities do not have discretion to grant relief from rates on property, all or part of which is occupied, other than as a trustee, by a charging or precepting authority.

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LOCAL GOVERNMENT FINANCE ACT 1988

NATIONAL NON-DOMESTIC RATES - DISCRETIONARY RATE RELIEF

FRAMEWORK OF CRITERIA FOR ASSESSING ELIGIBILITY

The following framework of criteria for assessing eligibility for discretionary relief was agreed by the Finance Sub-Committee on the 9th February, 1990. A simplified précis of the criteria which Members might find useful follows:-

1. Access
 - 1.1 Is membership open to all sections of the community? There may be legitimate restrictions placed on membership which relate for example to ability in a sport or to the achievement of a standard in the field covered by the organisation or where the capacity of the facility is limited. Clubs or organisations should not be considered if they have membership rates set at such a high level as to exclude the general community. In general, the club or organisation must be prepared to show that the criteria by which it considers applications for membership are consistent with the principle of open access.
 - 1.2 Does the organisation actively encourage membership from particular age groups in the community, e.g. young people, women, old age groups, persons with disability, ethnic minorities, etc? An organisation which encouraged such membership might expect more sympathetic consideration than one which made no effort to attract members from groups which the authority considered to be particularly deserving of support.
 - 1.3 Are the facilities made available to people other than members, e.g. schools, casual public sessions, etc.? The wider use of facilities should be encouraged and rate relief might be one form of recognition that an organisation was promoting its facilities more widely.
2. Provision of Facilities
 - 2.1 Does the organisation provide training or education for its members? Are there schemes for particular groups to develop their skills, e.g. young people, the disabled, retired people? An organisation providing such facilities might deserve more support than one which did not.
 - 2.2 Have the facilities available been provided by self-help or grant aid? The fact that a club uses or has used self-help for construction or maintenance or had facilities funded by grant aid might be an indicator that they were more deserving of relief.
 - 2.3 Does the organisation run a bar? The mere existence of a bar should not in itself be a reason for not granting relief. The authority should look at the main purpose of the organisation. In sports clubs for example, the balance between playing and non-playing members might provide a useful guide as to whether the main purpose of the club is sporting or social activities. A social club whose main aim is to bring together people with similar interests should not be excluded from relief just because of the existence of a licensed bar.
 - 2.4 Does the organisation provide facilities which indirectly relieve the authority of the need to do so, or enhance and supplement those which it does provide? Authorities should not refuse relief on the grounds that an organisation is in competition with the authority itself, but should look at the broader

context of the needs of the community as a whole. A new need, not being provided by the authority itself but identified as a priority for action, might be particularly deserving of support.

3. Other Considerations

- 3.1 Is the organisation affiliated to local or national organisations, e.g. local sports or arts councils, national representative bodies? i.e. are they actively involved in local/national development of their interests?
- 3.2 Is the membership drawn from people mainly resident in the charging authority's area? Although authorities will have in mind that 25% of the cost of any relief given will be borne by the Council Taxpayers in their area, particular difficulties may arise with hereditaments which straddle local authorities boundaries and which under Regulation 6 of the Non-Domestic Rating (Miscellaneous Provisions) Regulations 1989 (SI 1989 No. 160) will now fall to be shown in one list. In these cases, and in those where hereditaments are situated close to an authority's boundary, a proportion of the membership may come from another charging authority area. Also for geographical reasons, or because of the nature of the terrain, particular facilities may be the only ones available for a wide area. In such cases, the joint use of facilities by one or more similar organisations is not uncommon. In most cases, there will be a measure of reciprocity between the membership of organisations from different areas.
4. The Council may add further criteria or substitute relevant alternative criteria which are appropriate to the furthering of the Council's policies and the needs of the community.

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LOCAL GOVERNMENT FINANCE ACT, 1988

N.N.D.R. RATE RELIEF - PRÉCIS OF CRITERIA

1. Introduction

- 1.1 This document précis the criteria adopted by the Council as a framework to be used in determining eligibility for discretionary rate relief under Section 47 of the Local Government Finance Act 1988. The framework is based upon the guidance provided by the Department of the Environment in its Practice Note on Discretionary Rate Relief.

2. Basic Conditions

One or more of the following conditions must apply as regards the application:-

- 2.1 The ratepayer is a charity or trustees for a charity, and the hereditament (property) is wholly or mainly used for charitable purposes.
- 2.2 The hereditament is not an excepted hereditament and all or part of it is occupied for the purposes of one or more institutions or other organisations none of which is established or conducted for profit and each of whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts.
- 2.3 The hereditament is not an excepted hereditament, it is wholly or mainly used for purposes of recreation and all or part of it is occupied for the purposes of a club, society or other organisation not established or conducted for profit.

For the purposes of 2.2 and 2.3 above, an excepted hereditament is one that is all or part occupied (otherwise than as a trustee) by a Charging Authority (i.e. Cannock Chase District Council) or a precepting authority (i.e. Staffordshire County Council and Parish Councils).

3. Access to Organisation

- 3.1 Is membership open to all sections of the community?
- 3.2 Are there legitimate restrictions on membership, e.g. ability, facility limits?
- 3.3 Are membership fees unduly high and restrictive.
- 3.4 Are membership criteria consistent with the principle of open access?
- 3.5 Does the organisation actively encourage membership from particular groups in the community, e.g. disabled, O.A.P.s?
- 3.6 Are facilities available to non-members, e.g. schools, general public?

4. Provision of Facilities

- 4.1 Does the organisation provide training or education for its members?
- 4.2 Are there training schemes for specific groups, e.g. disabled, young people?
- 4.3 Have facilities been provided by self help or grant aid?
- 4.4 Does the organisation run a bar? This in itself is not a reason for not granting relief.
- 4.5 What is the main purpose of the organisation, e.g. playing or social?
- 4.6 What is the balance between the playing and social membership?
- 4.7 Does organisation provide facilities that indirectly relieve the Council of providing the facility or supplement Council facilities?

5. Other Considerations

- 5.1 Is the organisation affiliated to local or national organisations?
- 5.2 Is the membership drawn from people mainly resident in the Council's area.

N.B. Please note that not all the criteria outlined above will be applicable in each case.