

Rate Relief for Charitable Organisations – Guidance Notes

Please read these notes carefully before completing the application form. Upon return, we will consider granting rate relief to the charity for the current financial year. If we award the relief, the details will be shown on your Business Rates bill. If you are unsuccessful we will notify you as soon as possible. In some circumstances we may need to ask you to supply additional information before we can make our decision.

You may know that rating law says that if a ratepayer is a charity, and the property concerned is wholly or mainly used for charitable purposes, then the rate bill will only be 20% of the normal amount. In addition, we will usually grant a further 20% relief **on application**, leaving nothing to pay, **unless** the property is used as a school, college, charity shop OR where alcohol is (or will be) available on the premises. For properties falling under these exceptions, our current policy is listed below. Whilst completing the application form, please bear this policy in mind.

Also, here are some important points about the application process.

- You should answer all questions on the application – if a question is not applicable, **N/A** should be written in the appropriate space **together with a brief explanation**.
- The charity's business rates remain legally due and payable **as billed** until we have made a decision to grant relief.
- You can help the charity by submitting all the information we ask for as quickly as possible. This will also keep our administration costs down. These costs are a burden on the District's council tax payers who already bear a proportion of the cost of rate relief.

Restrictions on granting discretionary rate relief automatically to charities

Schools or colleges

(This restriction does NOT apply to nurseries, playgroups and pre-schools.) The current policy of the Council is that NO automatic discretionary rate relief will be given if the property is used as a school or college. This will leave 20% of the normal rate bill to pay. This policy is in keeping with the rest of Lincolnshire.

Charity shops

Provided the charity shop sells only **second hand or donated goods**, the current policy of the Council is to grant 10% discretionary relief automatically, leaving 10% of the normal rate bill to pay. Normally, **no** discretionary relief at all will be granted if the charity shop stocks or sells **any new or bought in goods** (excluding goods sold under the charity's own logo). This will leave 20% of the normal rate bill to pay. Therefore, charity shops applying for and receiving discretionary rate relief will be regularly inspected to monitor the sorts of goods they stock and sell.

Premises where alcohol is (or may be) available

Where a premises licence, club premises certificate or Temporary Event Notice exists, or may be granted under the Licensing Act 2003, **provided alcohol is only available on occasions when the premises are used for a function to raise funds for the club or organisation** the current policy of the Council is to grant 20% discretionary rate relief on application, leaving nothing to pay. Where an organisation's members **have regular access to alcohol** the current policy of the Council is to grant 10% discretionary relief leaving 10% of the normal rate bill to pay.

Applying for additional discretionary rate relief where restrictions apply

The restrictions on granting relief automatically do not mean that full relief is being refused. They simply limit the amount of relief that council officers are allowed to grant. Any organisation can apply for more relief if it thinks there are special circumstances that would persuade the Council to depart from its policy. The Cabinet Member with special responsibility for Finance will consider these applications on their individual merits.

If you wish to apply you should include a covering letter with your application form, setting out any special circumstances that you think justify the additional rate relief. Please note that financial difficulties alone, or the fact that bar profits are reinvested in the organisation, are unlikely to lead to more relief being granted.

The Council's policy regarding Discretionary Rate Relief may be viewed on South Holland District Council website: www.sholland.gov.uk

Requests for backdating discretionary rate relief will be considered at the discretion of the Council. However, in accordance with the Local Government Finance Act 1988, applications **must be determined within 6 months of the end of the financial year for which the relief is being sought**.