



**Bromsgrove**  
District Council  

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## **Discretionary Rate Relief Policy**

### **Revenues and Benefits**

### **Financial Services**



**February 2007**

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## Charitable Discretionary Rate Relief

### 1.0 Introduction

Under section 47 of the Local Government Finance Act 1988, discretionary rate relief may be awarded provided that one, or more, of the following criteria applies:

The ratepayer is a charity, or trustees for a charity and the hereditament is wholly or mainly used for charitable purposes, or

All or part of the hereditament is occupied for the purposes of one or more institutions none of which is established or conducted for profit and each of whose main objects are:

- Charitable
- Social welfare
- Philanthropic
- Science
- Religious
- Literature
- Educational
- Fine Arts

or

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

Trustees in paramount occupation of an excepted hereditament will be considered for discretionary relief. An excepted hereditament is one that is in the occupation of a billing authority or a precepting authority (other than the Receiver for the Metropolitan Police or charter trustees) and is not eligible for the relief.

Discretionary relief of up to 100% may be granted in accordance with the criteria overleaf.

Any granting of discretionary relief can be backdated to the start of the previous financial year, as long as the authority has made a determination within the first six months of the following financial year.

Discretionary relief may be granted where the hereditament is unoccupied and it appears that when next in use the hereditament will be wholly or mainly used for charitable purposes.

A legal definition of charity comprises four principal divisions:

- Relief of Poverty
- Advancement of Religion
- Advancement of Education
- Other Purposes beneficial to the Community

## 2.0 Applications

There is no legal requirement for the completion of an application form, however, for the purpose of consistency it is proposed that a form is completed so that the application can be assessed. Organisations may supply any additional information or evidence to support their claim as appropriate. Applications will be made available in formats to ensure accessibility to all sections of the community.

## 3.0 Criteria to be considered when reviewing applications

### 3.1 General

Applications must be consistent with Bromsgrove District Council's own objectives and priorities as detailed in the Council Plan.

#### Council Vision

“Working together to build a district where people are proud to live and work, through community leadership and excellent services”

#### Objectives

##### 1. Regeneration

###### Priorities

- Town Centre
- Longbridge
- Housing

##### 2. Environment

###### Priorities

- Clean Streets
- Planning

##### 3. Sense of Community and Well Being

###### Priorities

- Community Activities
- Community Influence

##### 4. Improvement

###### Priorities

- Customer Satisfaction
- Reputation
- Performance Improvement

### 3.2 In addition :

3.2.1 National organisations must show either that there will be a direct benefit to the District of Bromsgrove or that benefit will accrue to the public at large.

- 3.2.2 Local and Non-national organisations must show a need for the activity/facility and either demonstrate a benefit to local people of Bromsgrove District or where there may be reciprocal arrangements in other parts of the country
- 3.2.3 Consideration must be given to the level of financial support the inhabitants of Bromsgrove District must meet
- 3.2.4 The Head of Financial Services may ask for and must be satisfied with the accounts.
- 3.2.5 The activity must not seek to promote or oppose a political party.
- 3.2.6 Providing the relevant criteria are met, charitable organisations be considered for 20% Discretionary Relief in addition to 80% Mandatory relief. Those charitable organisations that are not registered must satisfy the above criteria and will be considered for up to 100% discretionary relief.
- 3.2.7 Organisations that have an application for charitable status outstanding with the Charities Commission will be pended for 6 months awaiting the Commissions decision.
- 3.2.8 Any organisation that the authority believes could be a registered charity and has not applied, will be encouraged to apply to the Charities Commission.
- 3.2.9 Rifle and gun clubs must be affiliated to the National Association

### **3.3 Special Cases**

#### **3.3.1 Religious establishments**

Whilst these establishments do not directly meet any of the main themes of the Bromsgrove District Plan, they qualify for 80% mandatory relief and will be considered for up to 20% discretionary relief.

#### **3.3.2 Animal Establishments**

These establishments do not meet any of the main themes either, but providing they are a registered charity, discretionary relief of up to 20% will be considered

#### **3.3.3 Educational Establishments**

The authority does not consider it appropriate to award relief to primary, secondary or further education. Pre-school education may be considered providing the organisation is a registered charity.

#### **3.3.4 Charity Shops**

Relief of up to 20% in respect of Charity Shops be considered, provided that  
80% Mandatory Relief has been granted

#### **3.3.5 The Scout and Girl Guides Associations**

Relief of 20% should be considered, provided that;

- 80% Mandatory Relief has been granted, and
- the Scouts or Guides and other non-profit making community users are in paramount occupation.

### **3.3.6 Village or Parish Halls**

Relief be considered provided that;

Non-profit making community users are in paramount occupation.

(Where 80% Mandatory Relief has been granted, top up of 20% be considered).

### **3.3.7 Credit Unions**

Relief of up to 100% be considered, provided that:

- The union is in receipt of a letter from the Inland Revenue saying it is entitled to exemption from taxes under the provisions of section 505 of the Income and Corporation Taxes Act 1988 and
- No dividend or interest is available for distribution to its members, and
- Assistance is provided to avoid social exclusion

### **3.3.8 Sports, Social Clubs and Societies**

Relief of up to 100% be considered for non charitable organisations and up to 20% for charitable, provided that the property is used as a sports, social club, or society and

- The organisation is not established or conducted for profit
- Where there are in excess of 100 members, at least 50% live in the Bromsgrove District area (unless there are good reasons for this e.g. a club situated on the border of Bromsgrove District)

## **4.0 Granting Relief**

**4.1** The cost of Discretionary relief is partly borne by the District Council and therefore consideration should be given to any community benefit gained. The amount of relief granted should be dependent on issues such as; whether there is any possibility of generating income; how many people the facility or club is available to; whether the club assists in the Councils objectives etc. In some cases there may be restrictions on membership or there is little benefit to the community etc in most cases where four or more of these criteria apply then the application should be refused. These are only intended to be guidelines and consideration must be taken of particular circumstances surrounding individual cases.

**4.2** When Officers have evaluated the application a report will be submitted to Head of Financial Services and Portfolio Holder recommending approval or refusal based on the criteria below. A period of time should be given when granting relief with a review date in each case. This is good practice and assists in the budgetary process.

## **5.0 Evaluation Criteria**

**5.1** Each of the criteria should be considered and based on the criteria below a recommendation to approve a percentage reduction (up to 100% relief) or refuse the application should be made.

- Membership is restricted. (This may include where membership rates are set at a high level as to exclude the general community)
- The organisation runs a bar that is open for more than 20 hours per week on average **and** the gross income from bar sales exceeds £2,000 per annum
- The percentage of members who live in Bromsgrove District is less than 80% unless there are valid reasons for this e.g. a club situated on the border
- The facilities are not made available to people other than members. (there may be valid reasons for this e.g. small changing rooms not required by other people)
- The facility is not used by children.
- Similar facilities are already provided by the authority in the area and the organisation does not supplement or enhance those offered
- The facilities have not been provided for by self-help or grant aid.

## **6.0 Appeals**

**6.1** Organisations that been refused relief will be given reasons in order that they are aware of the criteria in which their application failed. They will also be given details of how to appeal.

**6.2** Appeals will be referred to Executive Cabinet for review.

**Bromsgrove District Council**

Application by a charity, club, society or other organisation claiming Mandatory and/or Discretionary Rate Relief under section(s) 43(5) and (6) and 45(5) and (6) or section 47 or Mandatory and/or Discretionary Rural Rate Relief under section 43 (6a,6b) and 47 (3a,3b) of the Local Government Finance Act 1988

	Business Rates Reference	
1	Name and Address of the charity/Organisation claiming relief	
2	Address of property in respect of which relief is claimed	
3	Description of Property	
4	The main aims and objectives of the Charity/Organisation	
5	<p>Is the Charity/Organisation registered with the Charity Commissioners or any registered society within the Friendly Societies Act 1896 to 1974?</p> <p>If yes, please state the Registration Certificate Number or enclose the Certificate for Inspection and Return</p> <p>If no, please state the reasons on which there is an exemption/exception from registration or give evidence of charitable status.</p>	<p align="center">Yes/No</p> <p>Number .....</p>
	<p><b>APPLICATION OF CRITERIA</b> <i>(Please do not write in boxes)</i></p> <p>Bromsgrove District Council's objectives and priorities as set out in the Council Plan are as follows:</p> <p><b>Regeneration</b></p> <ul style="list-style-type: none"> <li>• Town Centre</li> <li>• Longbridge</li> <li>• Housing</li> </ul> <p><b>Environment</b></p> <ul style="list-style-type: none"> <li>• Clean Streets</li> <li>• Planning</li> </ul>	



	<p><b>Sense of Community and Well Being</b></p> <ul style="list-style-type: none"> <li>• Community Activities</li> <li>• Community Influence</li> </ul> <p><b>Improvement</b></p> <ul style="list-style-type: none"> <li>• Customer Satisfaction</li> <li>• Reputation</li> </ul> <p>Please state how your organisation supports these priorities.</p>	
	<p>Please give examples of how the local community has benefited from your activities or facilities.</p>	
	<p><b>Please answer the questions relevant to your type of organisation</b></p>	
	<p><u>Sports Clubs</u> Applications for Sports Clubs please also complete Appendix A</p>	
	<p><u>Charity Shops</u></p> <ol style="list-style-type: none"> <li>1. Please give examples of how your charity supports the local community.</li> <li>2. Please provide evidence (eg Audited Accounts) that the sales income generated from donated goods is greater than 50%.</li> </ol>	
	<p><u>Social Welfare Institutions ( eg Citizens Advice Bureaux)</u></p> <p>Please give examples of how your charity supports the local community.</p>	
	<p><u>The Scout &amp; Girl Guide Association</u></p>	

	<p>Please provide evidence that the Scouts, Guides or other non-profit making local community users are the main users of the premises</p>	
	<p><u>Theatres &amp; Museums (managed by a charity or trustees of a charity)</u></p> <p>No further evidence is required. If mandatory relief is awarded a further 20% discretionary relief will be given.</p>	
	<p><u>Village of Parish Halls</u></p> <p>Please provide evidence that non-profit making local community are the main users of these premises.</p>	
	<p><u>Credit Unions</u></p> <p>Please provide evidence that your organisation supports social inclusion and debt prevention.</p>	

<p>“I certify that the above particulars are correct to the best of my knowledge and belief.”</p> <p>Name</p>	
<p>Capacity in which signed</p>	
<p>Date</p>	
<p>Telephone Number</p>	

Sports And Social Clubs

(**Please note** organisations that are entitled to Mandatory relief will not be entitled to any further relief and that a maximum 50% discretionary relief will be given to other organisations).

1. Do you have a licensed bar?
2. What is the percentage of your members that live in the Bromsgrove area?
3. What is the percentage of members who participate in team activities?
4. Is membership restricted in any way? (You should provide membership criteria
5. Does the organisation provide education, training or coaching facilities in order to develop member skills? Please provide details.
6. Are membership fees related to the ability to pay? Please provide details.
7. Are the facilities open to non members and other organisations at reasonable rates? Please give details.
8. Is the principle of open access to all members of the community in operation? Please give details.
9. Does the organisation actively encourage membership from particular groups e.g. young people, senior citizens, disabled persons or ethnic minorities? Please provide details.
10. Does the organisation undertake fundraising activities to finance its own expenses? Please provide details.
11. Do the facilities indirectly relieve Bromsgrove District Council's need to provide, enhance or supplement the service or activity?