

Rate Relief for Non-Profit Making Organisations Guidance Notes

Please read these notes carefully before completing the application form. Upon return, we will consider giving rate relief to your organisation. We may need to write to you for further information before we can make our final decision. Whilst completing the application form, please bear in mind the criteria that we use to help us decide how much rate relief to give.

Here are some important points about the application process:

- You should answer all questions on the form – if a question is not applicable, **N/A** should be written in the appropriate space **together with a brief explanation**.
- You must send in the latest two **years' audited accounts with your application**.
- If it is the **first time** your organisation has applied for relief, you must send in a copy of the **organisation's rules and constitution**. If you are renewing an application for relief, we only need a copy of these **if they have been changed at all since the last application was made**.
- **The organisation's business rates remain legally due and payable in full until we have made a decision to give relief or confirm relief previously given provisionally**.
- You can help your organisation and us by submitting all the information we ask for as quickly as possible. This will keep our administration costs down - our council tax payers bear a proportion of the cost of rate relief.

Criteria we use to help us decide how much rate relief to grant

The overall requirements are that: *'The ratepayer must be a non-profit making body and the hereditament used for charitable, philanthropic or religious purposes, or concerned with education, social welfare, science, literature or the fine arts, or used wholly or mainly for recreation by a not-for-profit club or society'*

We will also expect membership of the organisation to be open to all sections of the community. The only time this would not apply is where legitimate restrictions are required which relate, for example, to ability in a sport or the achievement of a standard or where the capacity of the facilities is limited. Organisations will not be given relief if they have membership rates set at such a high level that they exclude the general community. In general, the organisation must be prepared to show that the criteria by which it considers applications for membership are consistent with the principle of **open access**.

We will also take into account:

- whether the organisation actively encourages membership from particular groups in the community (for example young people, women, older age groups, disabled people, people from minority ethnic groups and so on)
- whether facilities are made available to people other than members (for example schools, casual public sessions and any others) and the numbers in each category of membership
- whether the organisation provides training or education for its members or schemes for particular groups to develop their skills (examples include young people, disabled people and retired people)
- how the organisation acquired its premises and facilities
- what would happen to the organisation's assets in the event that it should cease to exist
- whether the organisation is involved in the local or national development of its interest through affiliation to, or membership of, a relevant Council, governing or representative body or similar organisation.

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 100% discretionary rate relief on application, leaving nothing to pay.

Continued overleaf...

Where an organisation's members **have regular access to alcohol**, discretionary rate relief will be awarded as follows:

- Where the rateable value is £8,500 or less, 80% discretionary relief will be awarded leaving 20% of the normal rate bill to pay.
- Where the rateable value is more than £8,500, 50% discretionary relief will be awarded leaving 50% of the normal rate bill to pay.

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

Applying for additional discretionary rate relief for those with a licensed bar

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. However, we are particularly keen to support organisations seeking to facilitate a broad range of community based activities and events for the benefit of local residents.

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.**