

DISCRETIONARY RATE RELIEF

Information Pack

Please keep this guidance for future reference

Discretionary Rate Relief

The Discretionary Rate Relief scheme forms part of Calderdale MBC's grant aid programme, and is jointly funded by central government and Calderdale Council.

Please make sure that you read through all of this information carefully before you start to complete the Application Form

Once you have completed the application form, please send it to:

Grants Section
Neighbourhoods & Community Engagement
2nd Floor Westgate House
Halifax
HX1 1PS

Telephone: 01422 392317

Email: grants@calderdale.gov.uk

If you have any questions about the Discretionary Rate Relief scheme, or about the application form, please contact us at the above address.

If you have any queries about the level of non-domestic rates payable, or about methods of payment, or any other queries relating to the non-domestic rates themselves, please contact Business Rates on 01422 393699, business.rates@calderdale.gov.uk

Mandatory rate relief at 80% is also available for organisations which are registered charities or Community Amateur Sports Clubs. This is administered separately from the Discretionary Rate Relief scheme – for details of how to apply for mandatory relief, please contact Business Rates.

The Aim of the Discretionary Rate Relief Scheme:

The aims of the scheme are:

- ★ To encourage non-profit making organisations to develop their facilities
- ★ To recognise equal opportunities
- ★ To promote access to membership and activities
- ★ To provide assistance, where possible, to disadvantaged individuals and groups

The way in which the scheme does this is by awarding grant aid towards the rates payable by voluntary and community organisations.

This means that those organisations can use their resources towards achieving the aims of the scheme, rather than for paying rates.

Discretionary Rate Relief - Criteria

- 1)** To be eligible for discretionary rate relief, an organisation must clearly demonstrate that:
 - a) It was not established for, and is not conducted for, the purpose of making a profit;
 - b) It was not established for, and is not conducted for, the purpose of providing a financial benefit for the people who run it;
 - c) It is directly liable to pay the non-domestic rates on the property;
 - d) The property on which rate relief is being sought is occupied with one or more groups whose objectives are charitable, philanthropic, religious or concerned with sports, leisure, education, social welfare, science, literature or the fine arts;
 - e) The property is wholly or mainly used for a community based activity;
 - f) Membership is open to all sections of the community or that any restrictions placed on membership are legitimate;
 - g) The predominant beneficiaries of these activities are Calderdale residents.

- 2) The following organisations will not be eligible for relief:
- a) Those that support, either directly or indirectly, politically motivated groups or parties;
 - b) Those that set their membership rates at such a high level as to exclude the general community.
 - c) Housing associations and other large organisations that are set up and funded to deliver government programmes.
 - d) Charity shops run by organisations whose Head Office is outside of Calderdale.
 - e) Organisations whose main focus is outside of Calderdale.
- 3) Under this new DRR scheme, relief once approved shall be granted for two years. Organisations will not be required to apply annually.
- 4) However, organisations are required to notify the Grants Section immediately of any change to their status, changes to their constitution/rules and changes of membership rates. Failure to do so could result in the loss of rate relief and action by the Council to recover any relief previously awarded.

Levels of Relief

1. Charitable, philanthropic or religious organisations, and / or organisations concerned with education, social welfare, science or literature **in receipt of 80% mandatory charitable relief** are eligible for 100% of the remaining 20% business rates, except for those reductions described in the "Exceptions" section below.
2. Clubs, societies and other organisations concerned with recreation, sport or fine arts **in receipt of 80% mandatory charitable relief** are eligible for 60% of the remaining 20% business rates, except for those reductions described in the "Exceptions" section below.
3. Other not for profit organisations **not in receipt of mandatory charitable relief** are eligible for 100% of business rates, except for those reductions described in the "Exceptions" section below.
4. Clubs, societies and other organisations concerned with recreation, sport or fine arts **not in receipt of mandatory charitable relief** are eligible for 60% of business rates, except for those reductions described in the "Exceptions" section below.
5. Indoor Social Clubs (not youth clubs or clubs for people over 60 year of age) are eligible for 10% of business rates.

Exceptions

For categories 1-4 above the level of DRR relief will be reduced by 10% for organisations with unrestricted annual income over £100,000, ie 90% of the balance after mandatory relief for charities etc, or 50% of the balance after mandatory relief for sports clubs.

For categories 1-4 above the level of DRR relief will be reduced by 20% for organisations with financial reserves of more than 2 years normal expenditure, ie 80% of the balance after mandatory relief for charities etc, or 40% of the balance after mandatory relief for sports clubs.

For categories 1-4 above the level of DRR relief will be reduced to 20% for organisations whose bar income is more than 50% of total income.

The Application process

Applicants should complete the attached application form, and return it with a copy of their organisation's constitution (or similar document e.g. Rules, Memorandum and Articles) and a copy of the organisation's most recent annual accounts to:

Grants Section

Communities

2nd Floor

Westgate House

Halifax

HX1 1PS

Email: grants@calderdale.gov.uk

You must make sure that you have answered all of the questions on the form, and you must enclose a signed copy of the organisation's constitution (or similar document) and a signed copy of the most recent annual accounts.

We will not accept incomplete applications.

If rate relief is awarded, you will receive a revised rates bill showing the amount payable after rate relief. Rate relief will be awarded at this level for up to three years.

If your application for rate relief is refused, you will receive written confirmation that no rate relief has been awarded, along with details of the reason for that decision.

Any appeals should be made in writing to the above address. Details of why your organisation is appealing against the decision should be given. This may include supporting information, eg financial information not included in your original application.