

Discretionary Rate Relief for Charities and Not-For-Profit Organisations Policy Framework

Mandatory Relief

Charities

Charities are entitled to 80 per cent rate relief on properties which they occupy for the purposes of the charity.

Charity Shops

In order to qualify for relief, goods that are sold must be – wholly or mainly – donated and the proceeds of the sale (after deductions for expenses) must be used for the purposes of the charity.

Discretionary Relief

Charities

In addition to mandatory relief further relief may be awarded, up to the remaining 20 per cent of the rate liability, at the discretion of the council.

Non-profit organisations

Other organisations which are not established or conducted for profit may also receive rate relief of up to 100 per cent at the discretion of the council.

N.B. time limit

Discretionary relief cannot be awarded more than six months after the financial year to which it applies.

You should apply as early as possible in the year for which you wish to receive relief because we have a limited amount of money available.

Empty property

Empty property which is owned or leased by charities or other non-profit organisations may qualify for the above reliefs if it appears to us that when next in use it will be used for the purposes of the charity or organisation.

How to apply for rate relief

Application forms are available:

- On the internet at www.luton.gov.uk/business and follow the links.
- from the Customer Services Centre, which is located at:
Upper George Street, Luton, LU1 2BQ and is open:

Monday, Tuesday, Thursday & Friday from 08.30am to 5.30pm and on Wednesday from 10.00am to 5.30pm.

- by email at revenuesnndr@luton.gov.uk
- by telephone (01582) 54 66 28
Fax: (01582) 54 69 91
Textphone – for people with hearing disabilities (01582) 41 43 67
Lines are open Monday to Friday between 08.45am and 5.15pm (5pm on Friday)

Please return the completed form, with the supporting information, as soon as possible. The budget for rate relief is limited and will be disbursed on a first-come first served basis.

What information will be required to support an application?

To enable us to make an initial determination and then deal with any subsequent applications, we need to receive certain supporting documentation:

All applications:

- copy of latest annual report
- copy of latest accounts
 - these should be audited/independently examined where this is part of the usual organisational procedures
 - where accounts are not routinely audited/examined, the accounts should be submitted along with bank certificates for each of the bank accounts certifying the current account balances
 - national organisations should submit accounts that are relevant to the immediate local area
 - budget forecast for the current financial year
- price lists (if appropriate) for
 - membership fees
 - service use/facility hire charges
 - bar prices
- details of all grants received in the last three years and their sources, as well as any pending applications
- copy of equalities policy
- confirmation that the organisation has a separate bank account with joint signatures
- confirmation that the organisation's premises are fully utilised and suitable for its purpose having regard to size and location

First applications:

- evidence of registration with charity commissioners (charities only)
- copy of rules/constitution

From time to time, visits may be made to ratepayers' premises to verify any details.

How will rate payers be notified of the decision?

Applicants will be advised of the likely time for a decision to be made and of the possibility that further questions may need to be asked or enquiries made.

Decisions will be notified promptly.

Successful applications will be advised of:

- the percentage of relief awarded
- the reason for any reduction from the amount awarded in the previous year
- the period for which rate relief applies
- the revised balance payable
- the requirement to notify us of any change in circumstances that may affect entitlement to relief

Unsuccessful applicants will be advised of:

- the reason for refusal
- any areas where they can potentially take action to improve their chances in future applications
- the rights of appeal

How are decisions reviewed?

If an application has been refused whether this is due to insufficient funding or score, the ratepayer can request that the council executive reconsider. Requests for reconsideration should be made within 21 days of the decision notice, stating specific reasons.

Where the budget is no longer sufficient to make an award, but an applicant receives a score equivalent to or in excess of a previously successful application, it will automatically be referred to the council's executive. In this situation there will be no further right of appeal.

How much rate relief will be awarded?

The council can grant up to 100 per cent rate relief. The amount of relief awarded will depend on the assessed score and may be limited by the amount of funding available. The following maximum percentage will apply to the respective scoring bands:

106 – 156	up to 100%
76 – 105	up to 90%
66 – 75	up to 80%
56 – 65	up to 60%
46 – 55	up to 40%
35 – 45	up to 20%
0 – 34	no relief

Where an organisation already receives 80 per cent mandatory rate relief (charities and registered community amateur sports clubs), they will need to receive a score of 76+ to benefit from discretionary rate relief. This is designed to ensure consistency between ratepayers. The percentages therefore indicate the maximum total rate relief.

What period will rate relief relate to?

Any awards of rate relief will relate to the current, or immediately preceding, financial year (providing the application has been received within sufficient time). To be considered for future financial years, a further application will need to be made at the relevant time.

Discretionary rate relief assessment criteria

Equalities

1	Are the facilities/activities of the organisation open to all sections of the community? <i>The organisation should actively promote equality of opportunity and access, as it relation to gender, race, disability, sexuality, religion/faith/belief and age. It should comply with all non-discrimination and equality of opportunity legislation, codes of practice and the council's equalities policy.</i>	Yes No – acceptable reason No – unacceptable reason	12 9 0
2	Are the organisation's facilities made available to people other than members at no (or reasonable) cost? <i>e.g. casual public use etc.</i>	Yes Not applicable No	12 12 0
3	Is there a pro-active approach towards encouraging the use of the service/facilities by the disadvantaged, under-represented groups or groups with special needs: <i>e.g young people, women, older age groups, persons with disabilities, ethnic minorities etc</i>	Yes No	18 0
4	Are membership fees likely to exclude some individuals? <i>Rates may vary for different classes of membership, but must be consistent with the principle of open access.</i>	No No membership fees Yes	12 12 0

Activities and facilities

5	Do the organisations activities contribute to the council's vision for Luton (Visions 2011)?	Significant contribution Lesser contribution No	12 6 0
6	Does the organisation meet a need not currently provided by the council?	Yes No	12 0
7	Does the organisation liaise with the council to ensure 'joined up working' and to avoid duplication of effort and resources	Close and regular liaison Some liaison No apparent liaison	12 6 0
8	Is the organisation the only provider	Yes	12

	of these facilities/activities within Luton?	No	0
9	Are the benefits or the organisation provided mainly to Luton residents?	Over 80% 61% to 80% 51% to 60% Up to 50% Unable to verify	12 8 4 0 0
10	If the property is empty, is there evidence to suggest that it can be brought into use within the period for which discretionary rate relief can be granted?	Yes Not applicable No	12 12 0

Financial management

11	What percentage of annual turnover do the net current assets (excluding designated funds) represent?	0% Over 0% and up to 25% Over 25% and up to 75% Over 75% and up to 100% Over 100%	12 9 6 3 0
12	What proportion of the organisation's annual income is generate from: <ul style="list-style-type: none"> • grant aid • self help/donations • trading 	Grant aid > 70% Self Help/Donations > 40% Trading > 20%	-6 +18 -12
13	Are bar prices lower than average pub prices?	No No bar Yes	0 0 -24
14	Does the organisation already receive 80% mandatory rate relief? Charities or registered community amateur sports clubs	No Yes	0 -12

Non domestic rates discretionary rate relief policy

Who is entitled to apply?

The council is able to consider applications for rate relief from taxpayers:

- who are charities (or trustees of a charity), where their property is wholly or mainly used for charitable purposes
- who occupy a property for non-profit making purposes, whether they be charitable, philanthropic, religious or concerned with education, social welfare, science, literature or the fine arts
- who are non-profit making recreational clubs

Non-profit making organisations will need to demonstrate that they are not established or conducted for profit.

How will applications be prioritised?

At least 50 per cent of any rate relief awarded has to be funded by local taxpayers. Applications will therefore initially be prioritised on the basis of whether an organisation's activities directly benefit Luton residents.

The Council has adopted the following priority categories:

Priority 1:

Charities and non-profit organisations providing direct services or benefits to the community of Luton. This will include the local branches of national organisations where it can be clearly demonstrated that a direct service or benefit to the community of Luton is provided.

Priority 2:

Organisations who use their premises for administrative or operational activities, but where it cannot be clearly demonstrated that a direct service or benefit to the community of Luton is provided.

Priority 3:

Trading activities of national organisations or their local branches.

When will applications be considered?

Applications will be considered on a quarterly basis:

Application received	Priority 1 applications considered	Priority 2 & 3 applications considered
March April May	June	December
June July August	September	December
September October November	December	December
December January February	March	March

Whilst decisions can be made up to six months after the end of the relevant financial year, the budget for rate relief is limited. It is therefore important that ratepayers submit their applications as early as possible as funds will be disbursed on a first-come, first-served basis.

Incomplete applications will be returned to the ratepayer with a request for the specific information required. If this isn't supplied the application will not be considered any further.

How will applications be assessed?

We have adopted a system of scoring to assist us to ensure that all applications are treated fairly and equitably. Each application is scored on the same criteria. The total scores and the priority category the application falls into, is then used to help us assess its relative merits.