

CHAPTER 10

Notification of the decisions

- 10.1 It is important that applicants are aware of the decision making process in their applications for relief. It may be appropriate to advise applicants of the process involved, and of any appeals process in respect of unsuccessful applications when the authority acknowledges receipt of the application.

10.2 Acknowledging the application

Authorities should acknowledge all applications for rate relief in accordance with their normal targets for responding to correspondence from ratepayers. Acknowledgements should advise ratepayers of the likely time for any decision to be made, and of the possibility that the authority may need to ask questions or make further enquiries.

10.3 Making the decision

Authorities will already have their own established procedures for making decisions on applications for rate relief. Many will delegate decision-making powers to individual officers or committees with agreed terms of reference.

10.4 Notice of decisions – successful applications

Authorities should notify all applicants for rate relief of their decision in writing. Where relief is granted, the letter should set out:

- The amount of relief granted and the date from which it has been granted.
- If relief has been granted for a specified period, the date on which it will end.
- The new chargeable amount.
- the details of any planned review dates and the notice that will be given in advance of a change to the level of relief granted.
- A requirement that the applicant should notify the authority of any change in circumstances that may affect entitlement to relief.

10.5 Notice of decisions – unsuccessful applications

- 10.5.1 One of the fiercest criticisms from unsuccessful applicants for relief is that they are not given an explanation of the reasons for refusal. We suggest that as a matter of good practice, authorities should provide an explanation of their decision in every case where relief is either refused or restricted to a smaller amount than applied for. Authorities should explain that decision within the context of the exercise of their statutory duty.
- 10.5.2 This is particularly important. First so that the applicant is aware of the reasons for the decision. And second, so that the applicant can, if it wishes, take steps to conform with the criteria which the authority has adopted for the granting of relief.
- 10.5.3 The ratepayer should also be notified at the same time of any right of appeal against the decision of the authority. We believe that it is in the interests of fairness to the ratepayer and a matter of good practice that such mechanisms are available.

10.6 The right of appeal

Authorities should consider introducing a mechanism that allows applicants to appeal against a decision by an authority to reject or restrict the award of discretionary rate relief. Appeals could be resolved by written or oral representations but should not be considered by the same officials that made the original decision. It may be considered appropriate to refer any appeal to a panel of council members for determination, especially where an officer of the council made the original decision under delegated powers. We are conscious that some local authorities may already have in place similar appeals procedures.

DISCRETIONARY RATE RELIEF

DELEGATED SCHEME

CRITERIA TO BE TAKEN INTO ACCOUNT WHEN CONSIDERING APPLICATIONS FOR DISCRETIONARY RATE RELIEF

1.0 General Position

- 1.1 Relief from non-domestic rates is available to charities and other non-profit making organisations in certain circumstances.
- 1.2 Charities using premises for charitable purposes are entitled to an initial 80-% relief from non-domestic rates. In addition the Council may give a further discretionary relief of up to 20%
- 1.3 Relief from non-domestic rates may also be granted to non-profit making organisations with charitable or philanthropic objectives and those involved with education, religion, social welfare, science, literature and the arts. Relief is entirely at the discretion of the Council and can be set at any level up to 100%.

2.0 General Scheme

- 2.1 The Council is required to consider each request for relief individually and should not adopt a policy which allows it to dispose of a case without any consideration of the merits or the individual case.
- 2.2 The range of bodies eligible for discretionary rate relief is wide and not all the suggested criteria will be appropriate in each case. This document contains examples of criteria which might be adopted to assist in deciding whether to grant relief and the level of relief.

3.0 Suggested Criteria

- 3.1 Is membership open to all sections of the community?

There may be legitimate restrictions placed on membership which relate for example to ability in a sport or to the achievement of a standard in the field covered by the organisation. Clubs or organisations which have membership rates set at such a high level so as to exclude the general community or operate an exclusive system whereby membership is determined by the votes of existing members should not normally receive relief.

- 3.2 Does the organisation actively encourage membership from particular groups in the community, e.g. young people, women, older age groups, persons with disability, ethnic minorities, etc?

An organisation which encouraged such membership might expect more consideration than one which made no effort to attract members from groups which the authority considered to be deserving of support.

- 3.3 Are the facilities made available to people other than members, e.g. schools, casual public sessions, etc?

The wider use of facilities should be encouraged and rate relief might be one form of recognition that the organisation was promoting its facilities more widely.

- 3.4 Does the organisation provide training or education for its members? Are there schemes for particular groups to develop their skills, e.g. young people, the disabled, retired people?

An organisation that provides such facilities might deserve more support than one which did not.

- 3.5 Is the membership drawn from people mainly resident in the charging authority's area?

Where hereditaments are situated close to an authority's boundary, a substantial proportion of the membership may come from another charging authority area. In considering the weight to be given to the proportion of membership from within the authority's area, authorities should not penalise organisations because of their location.

- 3.6 Have the facilities been provided by self-help?

A club whose members have paid for the provision or improvement of facilities themselves may be deserving of more relief than one whose facilities have been funded by grant aid. Similarly, a club which uses self-help for construction or maintenance might be more deserving of relief.

- 3.7 Does the organisation run a bar?

The mere existence of a bar should not in itself be a reason for not granting relief. The authority should look at the main purpose of the organisation and balance between whether the main purpose of the organisation is, for example, sporting or social activities.

- 3.8 Does the organisation provide facilities which indirectly relieve the authority of the need to do so, or enhance those which it does provide?

Authorities should not refuse relief on the grounds that an organisation is in competition with the authority itself, but should look at the broader context of the needs of the community as a whole.

- 3.9 Is the club affiliated to local or national organisations, e.g. local sports or art councils, national representative bodies and are they actively involved in local or national development of their interests?

Evidence of the impact locally of any national organisation should be considered.

- 3.10 Authorities may wish to add further criteria which are appropriate to the furthering of their policies and the needs of the community such as development programmes. They should be mindful of the need to encourage new activities in the wide range of organisations for which relief from rates is available.

- 3.11 WHEN CONSIDERING EACH CASE ON ITS MERITS, THE FINANCIAL POSITION OF EACH ORGANISATION, AS SHOWN IN THE ACCOUNTS FOR THE LAST TWO FINANCIAL YEARS, SHOULD SHOW THAT THERE IS A GENUINE NEED FOR RATE RELIEF.

THE GENERAL MEASURE USED FOR THIS IS THAT THE ACCUMULATED BALANCE SHOULD NOT EXCEED HALF OF THE NORMAL ANNUAL EXPENDITURE OF THE ORGANISATION, UNLESS THE ORGANISATION CAN SHOW A SUBSTANTIAL PART OF THE BALANCE IS RESERVED FOR REPAIRS OR IMPROVEMENTS.

Financial consideration will be of importance and will include:

- (i) accounts for the last financial year together with a statement on the current financial position and any important items likely to affect that position;*
- (ii) the level of subscriptions and the date of the last increase; and*
- (iii) the extent to which the organisation relies on its own fundraising efforts.*
- (iv) The pricing of the organisation's facilities and services.*
- (v) The amount of grant and other aid made available to the organisation by the Council or other fundraising bodies.*

- 3.12 Applications are to be effective from the start of the financial year in which the application is made.

4.0 Delegated Scheme

4.1 The delegation scheme is set out below:

- (a) Any application where a bar is run that is more than supporting the activities of the organisation (i.e. is run as social club) – see paragraph 3.7 above – should be refused.
- (b) In cases that fulfil the criteria in all the paragraphs above, be granted 80% relief.
- (c) Any applications that fulfil the criteria in paragraphs 3.1 to 3.5 and 3.11 above only, be granted 50% relief.
- (d) Discretionary relief in addition to mandatory relief should be granted at 20% for cases the equivalent to d) above and 10% for c) above. Such relief be in respect of the first 12 months following the occupation of the property by the organisation.
- (e) Any case which will have a financial impact to the Council of more than £500, will be submitted to the Finance and Management Committee for consideration.

5.0 General

5.1 In all cases where discretionary relief is granted, with the exception of 4.1 (d) above, the relief be granted for a period of 2 years.

5.2 All decisions will be notified in writing along with reasons for any refusal or restriction in relief granted.

5.3 The mechanics of the procedure are as follows:

- Report of delegated decisions to be submitted to the Finance and Management Committee.
- Appeals to be made within 14 days of the notification of the decision.
- Appeals to be on specific points i.e. those that are outlined in the decision to reject or restrict the award.
- All appeals to be submitted to the Licensing and Appeals Committee.