

APPENDIX A

STEVENAGE BOROUGH COUNCIL

Strategic Director Finance

NATIONAL NON-DOMESTIC RATE

Discretionary Rate Relief - Criteria

Section 47 of the Local Government Act 1988 provides that a Billing Authority has the discretionary power to grant relief to charities and similar organisations in 1 of 3 ways: -

- (a) The ratepayer is a charity or trustees for a charity and the property is wholly or mainly used for charitable purposes ;
- (b) The property is occupied for the purposes of one or more institutions or other organisations which are not established or conducted for profit and whose main objects are charitable or are otherwise philanthropic or concerned with education, social welfare, science, literature or the fine arts;
- (c) The property is wholly or mainly used for the purposes of recreation, and all or part of it is occupied for the purposes of a club, society or other organisation not established or conducted for profit.

This Council adopted the guidelines from the Department of Environment to be followed when considering applications for discretionary rate relief on 5th February 1990, at the Finance and General Purpose Sub-Committee.

The amended discretionary rate relief criteria now incorporates additionally the relevant grant aid criteria, which will apply in certain circumstances.

The first rule is that each case has to be looked at on its own merit.

When looking at applications for discretionary rate relief the criteria to be used is as follows: -

1. The application must show evidence of local activity or show that the organisation is actively encouraging membership from all groups in the local community.
2. Does the organisation provide training or education for particular groups to develop their skills e.g. young people, the disabled, retired people, for the benefit of the local community.
3. Does the organisation run a bar within its facilities (e.g. as part of a sports club), if so, this must not represent the main activity of the organisation? To be considered for discretionary relief the main purpose of such an organisation must be to promote social or sporting activities in the local area.
4. The organisation must encourage the employment of staff at the local level or from the regional area which would benefit the local community.
5. In the case of a national organisation, how much of the activities are likely to benefit the local community.
6. Does the organisation deserve more support because it furthers council policy and the needs of the community?
7. Does the organisation provide activities, which indirectly relieve the council of the need to do so?
8. The cost is borne locally for any discretionary rate relief and is met from the Council's General Fund. For registered charities, 75% of the top-up is borne by the Council, and for unregistered organisations the cost is 25% of the total. Does the case for such relief and the potential benefit to the local community outweigh the cost to the council taxpayer?

9. In the case of a local voluntary organisation the following grant aid criteria should be applied before granting discretionary rate relief :-
- (a) The organisation should operate in Stevenage and the majority of its members be Stevenage residents, or be able to demonstrate that its services meet the needs of Stevenage residents.
 - (b) The organisation must be non-profit making with no undue restriction or limitations on membership.
 - (c) The organisation must be committed to actively seeking to eliminate all forms of discrimination whether in its programme of activities or as an employer and provider of services.
 - (d) The organisation should meet a demonstrable need, having regard to existing and proposed Council and voluntary services in the town.
 - (e) The organisation must be properly constituted with a clearly defined management structure such as a voluntary management committee. The Council does not make grants to individuals.
10. Premises which are occupied by a national or local organisation which have not attained registered charity status, who directly benefit the local community, can be considered for granting up to 100% discretionary rate relief if the cost to the council tax payers does not outweigh the potential benefit to the local community. (That the size of the premises is justifiable for activities undertaken by organisations and the potential cost to the General Fund is reasonable).

11. New Activities

Does the council wish to assist in the development of new activities in the area, which benefit the community?

12. Financial Grounds

Any deficit or surplus balances on the accounts should not automatically exclude or include the organisation from being considered for discretionary rate relief. However, the council may wish to consider what funds are being used for and the cost of administration.