

Business Rates Discretionary Relief Policy

Business Rates

4 January 2016

Introduction

The Council has powers to grant discretionary relief in two ways; as a top up to mandatory charitable relief and to any organisations it sees fit subject to the provisions of the Localism Act 2011. For the latter category, the Council will use the power in support of sporting organisations only.

The policy is based on the following broad principles:

- The scheme should benefit local non-profit organisations working in support of the Council's stated aims.
- The scheme should, in general, benefit smaller organisations.
- The relief granted will be subject to a maximum annual limit.
- Relief will be granted for a fixed period after which a further application must be made.

The policy is intended to support organisations which:

- Work with the most vulnerable in the borough
- Contribute to a healthy borough
- Contribute to a green borough
- Support the arts/sports
- Contribute to a safe borough

And

- Scout and Guide Groups or similar youth organisations

Eligibility

The following classes of organisations are not eligible for Discretionary Business Rate Relief under this scheme:

- Profit making organisations or organisations with a profit making parent organisation
- Schools, colleges or other educational establishments (except nurseries which will be eligible)
- Government funded, sponsored or commissioned organisations
- Charity shops (unless specifically in support of a local charity)
- National charity headquarters or administrative buildings
- Sporting clubs or organisations with an annual membership fee (or other cost of participation) of £1,000 or more
- Social clubs
- Hereditaments / organisations with a Rateable Value in excess of £150,000

Where a property is eligible for relief, a maximum of £15,000 p.a. relief will be granted to any organisation or on any individual hereditament.

Eligible applications will be further assessed against the following criteria:

Sports Clubs

(Localism Act Discretion)

Membership

No relief will be granted unless the organisation draws 50% or more of its membership from within the London Borough of Richmond upon Thames Sports organisations will generally attract relief at 60% unless they can demonstrate that they meet the needs, in particular, of young people, people with a disability, older people or those from ethnic minorities when they may attract 100% relief.

Discretionary Top Up of Mandatory Charitable Relief

Organisations must demonstrate that the borough and / or local people benefit specifically and to a significant degree from the work they do in one of the specified policy areas above. The Council may vary the proportion of relief it grants depending on the degree to which the applicant organisation meets the above criterion.

Other provisions

Organisations receiving Discretionary Relief in 2015/16 will be invited to complete and submit a new application which will be effective from 1 April 2016.

Those organisations which are unsuccessful in their application will be subject to a transition period during which the relief previously received will be tapered over a further 5 year period. From 2016/17, such organisations will lose 16.7% of the 2015/16 relief each year until the value of relief falls to zero.

For example, an organisation receiving £10,000 in discretionary relief in 2015/16 whose re-application is unsuccessful will receive the following relief during the transitional period:

Year	Amount of relief (£)
2015/16	10,000
2016/17	8,333
2017/18	6,666
2018/19	5,000
2019/20	3,332
2020/21	1,665
2021/22	0

Entitlement to relief ceases if the qualifying organisation vacates the premises or transfers the use of the premises to another organisation or individual Relief is granted for a 5 year period. A further application must be submitted if an organisation wishes the relief to continue.

The Council reserves the right to inspect and challenge evidence provided in support of an application and to request updated information e.g. membership lists at any time.