

Babergh District Council

Rate Relief Policy

Introduction

Babergh District Council recognises the importance of local facilities to the life of its communities both rural and urban. It has a vision that Babergh should be a district where strong and inclusive communities are built on active citizenship and where all citizens have the opportunity to develop to their full potential. To achieve this our priorities are to

- Maintain a safe, clean and sustainable environment
- Increase the supply of housing that local people can afford to rent or buy.
- Promote healthy living and reduce health inequalities
- Give easy convenient access to quality public services
- Raise individual and community ambitions and encourage active citizenship.

The Council recognises that delivering these priorities requires action and activity from a wide range of stakeholders. Organisations, businesses and individuals operating or working within the district.

Many of those stakeholders will be operating on the margins of viability but nevertheless making an important contribution to the Council's priorities. Non Domestic Rate or "Business Rates" can often be a significant element of each stakeholders' overheads. Removing or reducing that overhead can be an equally significant factor in retaining their presence in a community.

The Council brings those two issues together through this policy and how it uses discretionary rate relief to support those organisations, businesses and individuals who through their activities in the district contribute in some way to the successful achievement of the Council's priorities. Public funds are not however unlimited, a proportion of the cost of relief granted is borne by Council Taxpayers. In making decisions the Council must be confident that money invested in this way will be repaid in economic and community benefit.

Gaining assistance inevitably requires an application process. That is necessary to ensure fairness and that the Council has a good understanding of the contribution the applicant(s) make towards the Council's priorities.

That process will be thorough, but straightforward to complete and not be influenced by ethnic origin, race, gender, sexual orientation or religion. In processing applications those involved will be treated fairly, with respect and courteously at all times.

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Types of relief

Mandatory relief is determined by statute and where the prescribed criteria is met the Council must grant rate relief at a percentage specified by regulation. The Council has no discretion on that situation and correspondingly does not bear any of the cost of relief granted.

Discretionary relief lies entirely within the Council's remit, and may be granted either on a case by case basis or by setting broad parameters, which determine eligibility or a combination of both. Relief granted can be all or any proportion of the applicant's rate bill. Discretionary rate relief may be used to top-up mandatory relief where appropriate.

The Council cannot however adopt a blanket approach. All applications must be determined on individual merit, and although the Council may devise and operate policies to give clarity and accountability to the process or to delegate authority to make a decision those policies must not restrict or prevent applications ultimately being determined by the Council.

Cost of Relief

The cost of rate relief granted is borne jointly by the Government and the Council as shown in the following table.

Relief Type	Central Government Cost	Babergh Cost
Mandatory Relief	100%	Nil
Discretionary Relief granted to top up mandatory relief	25%	75%
Discretionary Relief (including relief granted to alleviate hardship)	75%	25%

MANDATORY RELIEF

Charities & Community Amateur Sports Clubs (CASC)

Relief, equal to 80% of the rate liability will apply to the following categories:

1. The ratepayer is a Charity or Trustee of a Charity (either registered or exempt from registration) and the rateable premises is
 - wholly or mainly used for the purposes of that or any other Charity, or
 - a Charity shop if at the time it is wholly or mainly used for the sale of goods donated to a Charity and the proceeds of sale of the goods (after deduction of expenses) are applied for purposes of a Charity or Charities.

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2. The ratepayer is a registered Community Amateur Sports Club (CASC) with HM Revenue & Customs (Schedule 18 of the Finance Act 2002 (Community Amateur Sports Clubs) and the premises is used for the purposes of that Club or that of another registered Club).

Rural Settlement Relief (Mandatory element)

Relief, equal to 50% of the rate liability can be claimed and is granted where the following conditions are fulfilled.

- The property is the only Post Office, General Store, Public House, Petrol filling station or any Food Shop situated within a rural settlement.
- Rural settlements are areas defined by the Council and estimated to have a population of less than 3,000 residents.(A list of rural settlements is maintained by the Council. It is reviewed annually. and published in January for comment. A copy is attached as Appendix A.)
- The rateable value of the premises at 1 April is within the thresholds set by the Department for Communities and Local Government and which apply for the year to which the application relates. The values in force are as follows:

General Store	7,000 RV
Food Shop	7,000 RV
Post Office	7,000 RV
Public House	10,500 RV
Petrol Filling Station	10,500 RV

DISCRETIONARY RATE RELIEF

The Council has the power to grant discretionary rate relief to any organisation where the following conditions are satisfied:

- It is not established or conducted for profit and, its main aims are charitable, philanthropic or religious, or are concerned with social welfare, education, science, literature or the fine arts, or
- The premises are occupied wholly or mainly for recreation by a “not for profit” club or society and are used for the purpose of the organisation.
- It is a charity already receiving mandatory rate relief.

Rural Settlements (Discretionary element)

Discretionary Relief can be granted to any business premises situated within a designated rural settlement where

- The rateable value of the premises is £14,000 or less, and

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- The Council is satisfied that the premises are used for purposes that are of benefit to the local community.
- Rural settlement (Mandatory element) relief has been granted.

Hardship Relief

The Council has the power to award up to 100% rate relief to prevent or allieviate hardship which would otherwise occur if relief were not granted and granting relief is in interests of Council Taxpayers. Applications are considered on a case by case basis.

THE APPLICATION PROCESS

Mandatory relief may be awarded without an application if the Council has sufficient information (such as registered charity number and details about the use of the premises).

Discretionary Rate Relief will not be considered unless a written application is made on the appropriate form including supporting references. Parts of the formal application process may however be waived where the Council already has the required information or the applicant is receiving mandatory relief.

The Council will always consider entitlement to mandatory rate relief or other forms of assistance available under the Local Government Finance Act 1988 and associated regulations (e.g. SBRR) before determining any discretionary awards under this policy.

Applications from non-profit making organisations that are set up to fulfil mainly educational, recreational, philanthropic or social purposes, will be determined by reference to the following criteria:

- The extent to which the organisations activities contribute or support the Council's priorities
- Potential eligibility for small business rate relief
- Any other relief's available under the LGFA 1988 or other bill reduction options.
- Evidence of financial need including reserve levels and assets
- The relationship between remunerated staff and the scale of operation
- Accessibility to residents of the district.
- Actual use or membership by residents of the district.
- Membership fee levels
- The extent to which activity is based around a bar and use of profits from it
- The capacity of the organisation and its membership to meet any rate bill.
- The organisations stance on diversity, equal opportunities and supporting minority groups.
- Any contribution made to addressing climate change and carbon reduction.

For Sports Clubs additional or supplementary criteria to be taken into account are:

- Core purpose in promoting their sport
- Non-profit making and amateur status

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- Any payments made to players or officials
- Treatment of the assets in the event of 'winding up'
- Reasons for not registering as a Community Amateur Sports Club
- The rateable value of the premises is £10,000 or less.

For facilities in a rural settlement additional or supplementary criteria to be taken into account are:

- The business is employing people mainly living in the rural settlement area
- The business is directly providing a service to the settlement and the surrounding areas
- The business is bringing custom into the community to the economic benefit of the whole community
- The significance of their role in the community. What additional services they offer over and above their core purpose that are not provided within the community
- What contribution is made to the local economy and the impact if the business were to fail.
- Whether the type of property and rateable value of the premises is within the following thresholds.
 - Shops (receiving Mandatory 50% Rural Settlement Relief) with a rateable value of £7,000 or less.
 - Sole Public Houses and Petrol Filling Stations in a rural settlement and the rateable value is £10,500 or less.
 - Sole Post Offices in a rural settlement and the rateable is £14,000 or less.

Reviewing a decision

The Council will make decision on an application within 10 days of receiving all information necessary to determine the application. Once an application has been determined, applicants will be notified in writing of the decision.

If an application is successful and relief is granted a revised bill will be issued. If this results in an overpayment a refund will be made.

There is no formal right of appeal if an application is refused. However the Council will re-consider or review a decision in the light of new information or where it is felt the decision does not reflect the Council's rate relief policy.

If the matter is not resolved at that point a final decision will be made by the Council's Strategy Committee.

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Appendix A

RURAL SETTLEMENT LIST

In accordance with Section 42A of the Local Government Finance Act 1988 (as amended by Schedule 1 of the Local Government and Rating Act 1997) the Council hereby gives notice of the rural settlements it intends to use, as from 1 April 2008, for the purposes of mandatory and discretionary rate relief, under Section 43 (6B) and Section 47 (3A) of the Local Government Finance Act 1988.

Those rural settlements are defined as:

The civil parishes of Acton, Aldham, Alpheton, Arwarton, Assington, Belstead, Bentley, Bildeston, Boxford, Boxted.

Brantham: That part of the civil parish of Brantham lying north of O.S. Reference TM 105335.

Brantham, Cattawade:

That part of the civil parish of Brantham lying south of O.S. Reference TM 105335.

The civil parishes of Bures St Mary, Brent Eleigh, Brettenham, Burstall, Capel St Mary, Chattisham, Chelmondiston, Chelsworth, Chilton.

Cockfield, Great Green:

That part of the civil parish of Cockfield lying north east of O.S. Reference TL 910540.

Cockfield, Cross Green

That part of the civil parish of Cockfield lying north south west of O.S. Reference TL 910540.

Cockfield, Stow's Hill

That part of the civil parish of Cockfield lying south of O.S. Reference TL 910540.

The civil parishes of Copdock & Washbrook, Little Cornard.

East Bergholt, East End:

That part of the civil parish of East Bergholt lying east of O.S. Reference TM 090350.

East Bergholt:

That part of the civil parish of East Bergholt lying west of O.S. Reference TM 090350.

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The civil parishes of Edwardstone, Elmsett, Freston, Groton, Harkstead, Hartest, Higham, Hintlesham, Hitcham, Holbrook, Holton St Mary, Kersey, Kettlebaston, Lavenham, Lawshall.

Lower Layham:

That part of the civil parish of Layham lying on the south west of O.S. Reference TM 033405.

Upper Layham:

That part of the civil parish of Layham lying on the north east of O.S. Reference TM 033405.

Harrow Street, Leavenheath:

That part of the civil parish of Leavenheath lying on the north east of O.S. Reference TL 950370.

Honey Tye, Leavenheath:

That part of the civil parish of Leavenheath lying on the south of O.S. Reference TL 950370.

The civil parish of Lindsey.

Long Melford, Bridge Street:

Those parts of the civil parishes of Alpheton, Lavenham and Long Melford lying within a mile radius of O.S. Reference TL 879491.

The civil parishes of Milden, Monks Eleigh, Nayland with Wissington, Nedging with Naughton, Newton.

Polstead, Bower House Tye:

That part of the civil parish of Polstead lying on the north west of O.S. Reference TL 990400.

Polstead, Polstead Heath:

That part of the civil parish of Polstead lying on the north east of O.S. Reference TL 990390.

Polstead: That part of the civil parish of Polstead lying on the south of O.S. Reference TL 990390.

The civil parishes of Preston St Mary, Raydon, Semer, Shelley, Shimpling, Somerton, Sroughton, Stanstead, Stratford St Mary, Stutton.

Shotley, Shotley Gate:

The civil parish of Shotley but excluding that part served solely by the B1456 and lying beyond and including Over Hall, Shotley.

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Shotley: That part of the civil parish of Shotley served solely by the B1456 including and lying beyond Over Hall, Shotley.

Stoke-by-Nayland:

The civil parish of Stoke by Nayland but excluding that part known as Thorington Street, which is defined as lying East of O.S. Reference TM00.

Stoke-by-Nayland, Thorington Street:

The hamlet of Thorington Street, Stoke by Nayland being that part of Stoke by Nayland lying East of O.S. Reference TM00.

Tattingstone White Horse:

That part of the civil parish of Tattingstone lying on the north of O.S. Reference TM 137375.

Tattingstone: That part of the civil parish of Tattingstone lying on the south of O.S. Reference TM 137375.

The civil parishes of Thorpe Morieux, Great Waldingfield, Little Waldingfield, Wattisham, Great Wenham, Little Wenham, Whatfield, Wherstead and Woolverstone.

If you would like more information on the subject generally, or believe your business may qualify for assistance, please contact our Revenues Team Tel. 01473 433851.

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