

BRISTOL CITY COUNCIL

CABINET

5 December 2013

Background paper 1

Discretionary Business Rate Relief Background Papers

Bristol City Council Policy Summary – *Existing*

Discretionary Rate Relief – Charities and Not-For-Profit Organisations

Background

Section 43 of the Local Government Finance Act 1988 entitles ratepayers that are Registered Charities to a mandatory 80% reduction of business rates on property that is wholly or mainly used for charitable purposes. Where property is unoccupied a 100% exemption will be awarded only if it is intended that, when next in use, it will be wholly or mainly used for charitable purposes.

Section 47 of the Local Government Finance Act 1988 gives a billing authority the power to award discretionary rate relief to charitable and other not-for-profit organisations in accordance with rules determined by the authority.

The power to authorise discretionary rate relief is delegated to the Service Director, Integrated Customer Service with authority to further delegate to the relevant officers to make decisions on the basis of set criteria.

Policy Criteria

a) Certain ratepayers are granted full or top up discretionary relief up to a maximum 100% because of the nature of their activities and the recognised benefits to the community as a whole regardless of their financial position, such as

- i. Boy Scouts and Girl Guides Clubs
- ii. Boy and Girls Clubs
- iii. Leisure facilities managed on behalf of Bristol City Council by an Industrial & Provident Society, or equivalent.

b) Registered charities granted 80% mandatory relief will be entitled to an additional 'top-up' 20% discretionary relief subject to the three stage assessment criteria detailed at d) below.

c) Ratepayers only entitled to discretionary relief may be granted the following relief subject to the three stage assessment criteria detailed at d) below:

- | | | |
|------|-------------------------------------|------|
| i. | Ratepayers supporting the arts | 100% |
| ii. | Sports clubs without bar facilities | 100% |
| iii. | Sports clubs with bar facilities | 50% |

iv. All other qualifying applications

50%

d) Applications are to be considered under the following three stage criteria:

Stage 1 If the annual turnover of the ratepayer exceeds £329,000 [2012 amount £346,000] (in the most recent set of published audited or appropriate accounts) relief will not be awarded. All other cases will be considered under Stage 2 and 3.

Stage 2 The income and expenditure accounts of the ratepayer over a five year period will be analysed and relief awarded if the accumulated surplus does not exceed £26,300 [2012 amount £27,700]. If the ratepayer has not been in existence for 5 years and accounts are only available for 1,2,3 or 4 years a pro rata accumulated figure will be used to determine eligibility.

An allowance will be made against the aggregate sum of £26,300 [2012 amount £27,700] where ratepayers can demonstrate to the satisfaction of officers that surpluses are being accumulated for a specific purpose.

(The figures used in stage 1 and 2 increase each year in line with inflation.)

Stage 3 If the ratepayers accumulated surplus is above the limits at Stage 2 then the amount of rates paid in the year of application will be looked at. If the annual surplus shown in the latest set of accounts exceeds the rates payable by more than 100%, relief will be refused. Ratepayer recording a surplus less than this will be granted relief.

Appeals

Ratepayers shall have a right of appeal against officers decision not to award relief and in the first instance this shall be in writing and addressed to the Business Rate Group Leader. The appeal must state fully the grounds upon which it is made and include supporting documentation or additional evidence where appropriate.

If the Business Rate Group Leader rejects the appeal a hearing will be arranged for the appellant to present their case to the Service Director, Integrated Customer Service.

Note: This process of appeal shall apply equally to applications for discretionary hardship relief made through Section 49 of the Local Government Finance Act 1988.

Review

To be held every three years.