

Discretionary Rate Relief

Revised Guidance – December 2013

1. What is Discretionary Rate Relief?

Discretionary Rate Relief (DRR) is granted by local authorities to charities and non-profit making organisations, in order to reduce the business rate liabilities for the buildings which they occupy.

2. Who does the policy apply to?

Registered charities already in receipt of 80% mandatory rate relief. Local authorities then have the discretion to provide further rate relief on all or some of the remaining 20% and this is called Discretionary Rate Relief.

Not-for-profit organisations who are not registered as charities can also apply for Discretionary Rate Relief. However if the organisation is eligible for Small Business Rates Relief this should be applied for before an application is made for Discretionary Rate Relief.

This relief is not open to individuals or where the property for which the relief is sought is empty.

3. How is the Relief Funded?

Discretionary Relief is part funded by Central Government/Greater London Authority (CLG/GLA) and part funded by the Council, below is a table showing the respective costs to CLG/GLA and to the Council:

Table 1 – Respective Costs for Funding Discretionary Rate Relief			
Type Of Discretionary Rate Relief	Amount of Discretionary Rate Relief	Cost to Council	Cost to the CLG/GLA
Top Up - Charities already in receipt of 80% Mandatory Rate Relief	Up to 20%	30%	70%
Not for Profit Organisations	Up to 100%	30%	70%

4. Basis for Discretionary Rate Relief Awards

The Council recognises the contribution of the Voluntary and Community Sector as partners in the delivery of Hackney's Sustainable Community Strategy. Discretionary Rate Relief is one of the ways that the Council demonstrates its support to the VCS, and organisations applying for Discretionary Rate Relief are required to demonstrate how their activities contribute to achieving the

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aspirations for the borough as set out in Hackney's Sustainable Community Strategy.

Discretionary Rate Relief is an annual award and applications are required on an annual basis. However, it should be noted that as the title suggests the award of Discretionary Rate Relief is at the Council's **discretion** and there is no right or entitlement to an award now or in future years.

Organisations must make provision for mandatory rates within their annual budgets, until they receive written confirmation on whether DRR has been awarded.

5. Eligibility Criteria for the award of Discretionary Rate Relief

Hackney Council will assess each application for Discretionary Rate Relief against the criteria outlined below and organisations will need to provide supporting evidence where required. The organisation must also make available a copy of its most up to date annual accounts which have been independently examined or audited.

Applicant organisations must be able to demonstrate:

- a) why an application for Discretionary Rate Relief is being made;
- b) how services delivered by the organisation, contribute to achieving at least one of the priorities set out within Hackney's Sustainable Community Strategy (available in full at www.hackney.gov.uk):
 - Objective 1: Reduce poverty by supporting residents into sustainable employment, and promoting employment opportunities.
 - Objective 2: Help residents to become better qualified and raise educational aspirations.
 - Objective 3: Promote health and wellbeing for all, and support independent living.
 - Objective 4: Make the borough safer, and help people to feel safe in Hackney.
 - Objective 5: Promote mixed communities in well-designed neighbourhoods, where people can access high quality, affordable housing.
 - Objective 6: Be a sustainable community, where all citizens take pride in and take care of Hackney and its environment, for future generations.
- c) how the services delivered benefit service users, 80% of whom live, work or study in Hackney;
- d) how their services involve users who broadly represent the diversity of people living in Hackney;
- e) sound governance and management of the organisation, with a good track record of delivering projects and/or services.

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When assessing applications for rate relief, the Council will need to consider the overall benefit to the community and what effect the award of rate relief will have upon the organisation. It should be noted that the Council's ability to grant rate relief is discretionary and can therefore be impacted upon by other factors, such as the local amenity and the funds available for this purpose.

Organisations must make provision for rates not covered by mandatory relief within their annual budgets, until they receive written confirmation on whether DRR has been awarded.

Please note that failure to supply the requested evidence or information may lead to your application being rejected.

6. The Application Process

- a) Discretionary Rate Relief is an annual award and applications are required on an annual basis. Applications for Discretionary Rate Relief will be considered by the Council's Revenues and Benefits; and Community Investment and Partnership teams.
- b) Applications for Discretionary Rate Relief can be submitted throughout the year, and organisations are required to submit an application demonstrating how they meet the criteria, even if they have previously received Discretionary Rate Relief; as this does not mean that your organisation will automatically receive it in future years.
- c) The application period will open each December for the following financial year, and the Council will review applications on a quarterly basis.
- d) Applications for previous years must be made within 6 months of the end of the financial year concerned. Any applications outside of this time limit will not be considered within the remit of this policy, and an application under hardship will need to be made.

Please see the Council's website for further information on how to apply.

7. Submitting an appeal

If an organisation does not agree with the decision relating to their Discretionary Rate Relief application, it can submit an appeal. Organisations will need to provide a one page (A4) written submission outlining the reason for the appeal, and any supporting evidence will also need to be supplied.

The Council aims to notify organisations of the outcome of the appeal within four weeks of receiving it. Whilst the appeal is being considered, organisations should continue to make provision to pay their rates as normal. Failure to do so may result in recovery action.