

Discretionary Rate Relief (DRR) Policy **– Non-profit Making Organisations**

1.1 Purpose & Criteria of Policy

This policy has been adopted by the Council to ensure all ratepayers making applications for this relief are treated in a fair, consistent and equal manner.

This policy.

- a) Sets guidelines for the factors that should be considered when making a decision to award or refuse relief.
- b) Establishes a framework to ensure applications are dealt with in an efficient manner.
- c) Sets out the delegated authority to award relief in appropriate circumstances.
- d) Establishes an appeals procedure for organisations that are dissatisfied with the Council decision.
- e) Seeks to safeguard the interest of local taxpayers by ensuring that funds allocated for the award of discretionary rate relief are used in the most effective and economic way.

The aims of the Discretionary Rate Relief (DRR) policy are:

- To encourage community participation and in turn to support community cohesion;
- To promote access to membership and activities;
- To provide assistance, where possible, to disadvantaged individuals and groups.
- To support those organisations which actively enhance the Council's aims and objectives

The following criteria are to be used to assess an application for discretionary rate relief in respect of a non-profit making organisation:

- The extent to which the organisation is local (the Council does not generally give DRR to national registered charities).
- Membership Arrangements for clubs - is membership restricted, are the fees excessive?
- Membership consistency - what percentage is drawn from the authority residents
- Facilities - are there particular features for vulnerable residents e.g., Disabled, Elderly, youth groups.
- Are there specialist facilities which: -
 - would otherwise be provided by the Council or;
 - are included and not limited to supporting health, wellbeing and Welfare of the community aimed at Harrow residents or;
 - are used as a focal point for Harrow residents
 - provide Specialist Training/skills for the young (e.g., sport) or broader training (e.g., disabled or training specialists to pass on skill to service users)
- DRR will not be granted to any organisation which could qualify for the maximum amount of Small Business Rate Relief (100%). In such circumstances they should apply for that relief instead.
- Religious and Educational establishments will not be considered for DRR
- Charity shops will not be considered for DRR

In addition to the above, the following conditions should also be given consideration.

- The organisation must be likely to continue operating even without Council assistance
- The organisation is Harrow specific and exists to support local residents or others operating within Harrow boundaries
- Until the year of application the organisation has a good record of business rate payments.
- The annual local income together with any reserves is not enough to meet annual running expenses and there is no recourse to other funds

1.2 Process

Voluntary and community organisations currently paying rates should complete an application form and return it with a copy of:

- Their constitution or similar document (e.g., club rules, memorandum and articles etc.)
- Their most recent accounts.
- A support statement setting out how the organisation meets the DRR criteria

The Application is available at www.harrow.gov.uk/bratesreliefs

2 The Purpose of the Discretionary Rate Relief Scheme

The scheme's aim is to award grant aid towards non-domestic rates payable by voluntary and community groups. The award of a grant will enable these groups to use their resources to achieve the aims of the scheme.

The award is a percentage of the total rates charge for the year, and not an amount. Therefore, an increase in rate charge for the year would lead to an increase in the relief awarded. I.e., the Mandatory award is 80% and the Discretionary award is 20%.

3. Award Arrangements

An application form is available for all applicants with guidance to allow them to indicate their status and their application for the appropriate reliefs.

The Revenues Service Manager and the Revenues Team Leaders review the applications with a recommendation on the appropriate levels of relief to the Head of Service (Collections and Benefits) Collections & Housing Benefits, for their approval. Currently these powers are exercised as part of the delegation to the Divisional Director as follows:

“authorised to exercise the powers of the Council in the collection of National Non Domestic Rates and Council Tax as set out in Section D2 and items 13 to 15 of the CEDF'S delegated authorities which includes the institution of legal proceedings and all steps necessary to prosecute and enforce judgments in relation to the assessment of rateable values and bands, the demand, collection recovery and refund of rates and council tax, determination of relief's, remissions and exemptions, the imposition of penalties and any other action as may be required under the LGFA 1988, 1992 (as amended).”

Mandatory relief can apply to national and local organisations alike with many national charities receiving relief, particularly with the development of charity shops, and quite often an application for discretionary relief is made with the application for mandatory relief.

To ensure conformity in dealing with applications the policy will be to generally only award discretionary relief to charities or organisations, which wholly or mainly benefit Harrow residents.

Whilst the percentage of discretionary relief is up to a maximum of 100%, for uniformity of approach, the level is determined by assuming that 100% DRR has been applied for and that the organisation is not a charity who is already entitled to apply for 80% relief under Mandatory Charity Relief.

Where the applicant organisation is a registered charity or registered community amateur sports club (CASC), the expectation is that the organisation will apply in the first instance for the 80% Mandatory Charity Relief. If the organisation is a local charity, consideration will then be given to award it the additional 20% Top Up DRR.

The maximum discretionary relief available under the policy, will be the difference between the Business Rates liability less any other relief.

Eligibility for the relief shall be applicable only to the days whilst the qualifying criteria apply, and the Business Ratepayer has an obligation to inform us of any changes.

Appeals

There is no statutory right of appeal against a decision regarding discretionary rate relief determinations made. However, Harrow Council recognises that Business Ratepayers should be entitled to have their entitlement objectively reviewed if they are dissatisfied with the outcome.

A non-statutory appeals process will therefore be applied, as set out in the section below, and any representation submitted accordingly, should be in accordance with the process outlined.

Business Ratepayers will in any case be given written notification of the appeals process at the time that they are notified of their eligibility / entitlement to Non-Profit Making Organisation Discretionary Rate Relief

This appeals process does not affect a Business Ratepayer's rights to seek alternative legal redress.

Appeal Process

Appeals may be made by the Business Ratepayer or their nominated representative (the "appellant") within 14 days of receiving notification of their entitlement and must identify the name and address of the Business Ratepayer, the grounds on which the appeal is made and may include any new or additional information, provided it is relevant to the decision.

An appellant may appoint an agent or third party to act on their behalf, but in such instances, the Council will require their prior written authorisation before exchanging any correspondence with them.

Appeals against a decision will need to be submitted in writing or by email to the Divisional Director/Head of Service who will then consider the Appeal in consultation with the Portfolio Holder. A decision made by the Divisional Director in consultation with the Portfolio Holder will be final.

Appeals will be considered individually on their own merits.

Recalculations of Relief

The amount of Discretionary Rate Relief shall be recalculated in the event of a change of circumstances. This could, for example, include a retrospective change to the rateable value of the hereditament and could arise during the year in question, or a subsequent year.

Regulation 16 of The Non-Domestic Rating (Consequential and Other Amendments etc.) (England) Regulations 2023 (SI 1251 of 2023) revoked the Non-Domestic Rating (Discretionary Relief) Regulations 1989 (SI 1050 of 1989).

This means that from 1st April 2024, the approach to be applied in determining applications for discretionary rate relief, shall be a matter for each Local Authority to consider.

In the case of London Borough of Harrow making a determination to vary or revoke its scheme, it shall give at least 1 years prior notice. To comply with that requirement, the authority will, each year, issue a formal notice notifying the applicant of the period and amount of the award. This will be by way of a Business Rate Bill and the relief period will be shown on the front of the notice and further explained on the reverse.

Period of Rate Relief

From 1st April 2024, statutory provisions regulating, in particular, the award and period for which discretionary rate relief shall be considered, are revoked and all such matters shall instead be subject to local authority policy and determination. Details of each Discretionary Rate Relief type and policy are available on our webpages at www.harrow.gov.uk/brates

As a general rule, Discretionary Rate Relief applications will be considered for the preceding financial year (i.e., 1st April to 31st March), if an application is determined on or before the 30th of September of the following year. For example, a discretionary relief application determined on 30th September 2024, may be awarded from 1st April 2023.

To clarify, however, a blanket policy shall not apply to the scheme, with each case being considered on its own merits. For example, where a new Business Rates liability is created retrospectively due to a single property being converted into two units, resulting in a new ratepayer being responsible for the Business Rates for one of the units, if an application is received within a reasonable time frame of the initial Business Rates bill being issued to the new party, a retrospective award from the effective date of the Business Rates liability may be considered, providing there is evidence of entitlement to the relevant discretionary rate relief.

For transparency purposes, the Discretionary Rate Relief scheme is conditional upon continued eligibility.

Policy updated January 2024 to incorporate changes in regulations regarding Discretionary Rate Relief and Appeals