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## Scarborough Borough Council

Local Government Finance Act 1988

### MANDATORY & DISCRETIONARY RATE RELIEF

Charitable and not-for-profit organisations

## GUIDANCE NOTES

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## BACKGROUND

- 1 The Council recognises the important contribution that charitable, voluntary, and not for profit organisations make in providing a wide range of services for the people of the Council's area which would otherwise have to be provided by and supported from the public purse.
- 2 Accordingly the Council has approved a scheme of Discretionary Rate Relief under Section 47 of the Local Government Finance Act 1988.

## INTRODUCTION

- 3 These notes have been prepared for the guidance of organisations considering making an application. The final decision on assessment of applications and any level of any relief granted lies with Scarborough Borough Council.

## PURPOSE

- 4 The scheme is intended to provide a mechanism for organisations to continue to expand their role, by maximising the availability of relief to those organisations that operate in a manner that is consistent with the Council's aspirations for the development of services in the Scarborough Borough area.

## ELIGIBILITY

- 5 Registered charities (and bodies exempt from registration) that use premises solely for charitable purposes are entitled to mandatory relief equal to 80% of their non-domestic rates bill.
- 6 Registered CASCs (Community Amateur Sports Clubs) registered under the scheme introduced by the Government in 2002 are entitled to mandatory rate relief equal to 80% of their full non-domestic rates bill.
- 7 Organisations which meet at least one of the following criteria are able to apply and be considered for up to 100% relief if:
  - The ratepayer is a charity, or trustee for a charity and the property is wholly or mainly used for charitable purposes.
  - All or part of the property is occupied for the purposes of one or more organisations, none of which are established or conducted for profit and whose main objectives are charitable.
  - The property is wholly or mainly used for purposes of recreation and all or part of it is occupied for the purposes of a club, society or other organisation not established for profit.
  - Any profits and/or surpluses will be used to further the charitable objectives of the organisation and not be distributed as dividends amongst some/all members.
  - A legal constitution is in existence and applicants can demonstrate that they are operating in accordance with its requirements.

## HOW TO APPLY

- 8 Applicants will be required to supply copies of their:
  - Two years' most recently audited accounts.
  - Current constitution.
  - Breakdown of their membership record/fees.
  - Evidence of affiliation to an appropriate national governing body, where applicable.
- 9 In all cases the Council reserves the right to ask applicants to substantiate and verify all information.
- 10 Upon receipt of a completed application form and all supporting documentation, the application will be considered by the members of the Cabinet (Grants & Reliefs) Sub Committee to determine the level of any relief granted. The level of relief is however recommended by an established policy under which your claim is assessed against set criteria.
- 11 Applications for relief may be made at any time. Applications received before 30 September may, if appropriate, be backdated to the beginning of the previous financial year. Those received after this date may only be backdated to the beginning of the current financial year.

## CONSIDERATION

- 12 The Council must be satisfied that the property is used for purposes which are of benefit to the local community.
- 13 It must be reasonable to grant relief having regard to the interests of our Council Tax payers.
- 14 Your claim will be assessed having regard for the Council's Corporate Aims:
  - **Aim 1 - Developing Safer and Stronger Communities**  
Top Priority - Reducing Crime and Disorder.
  - **Aim 2 - Building Prosperous Communities**  
Top Priority - Encouraging economic growth and job creation.
  - **Aim 3 - Creating Healthy and Vibrant Communities**  
Top Priority - Ensuring affordable and decent homes.
  - **Aim 4 - Creating Quality Environments**  
Top Priority - Enhancing public spaces and parks.
  - **Aim 5 - Improving the Council**  
Top Priority - Improving the performance of our services and ensuring they provide Value for Money.
- 15 Services/membership must be open to all sectors of the general public.
- 16 Organisations who do not have accounts relating solely to the property for which relief is sought, should supply a copy of the groups annual accounts.

## DURATION OF RELIEF

- 17 Any relief granted under this scheme will normally be for a period of no more than three years, at which time a review will take place. However if your organisation's circumstances change substantially you may request a review.
- 18 If at any time during a period of rate relief the applicant is found to be operating in a manner that contravenes the intention of the scheme, or is failing to fulfil any undertakings given, the Council shall issue a Notice of Revocation terminating the relief award.

## GENERAL CONDITIONS

- 19 It is a condition of any relief awarded that the applicant:
  - Will make available for inspection at any time details of its membership records, fees and accounts.
  - Will notify the Council of any material change in circumstances and/or constitution.
  - Will at all times operate in a manner consistent with the intention of the scheme.

## FURTHER INFORMATION

- 20 Please do not hesitate to contact the Non-Domestic Rates team should you require any assistance or further information.
- 21 Please detach and retain these guidance notes before returning the completed application form.

## CHARITABLE STATUS

- 22 If your organisation is not a registered charity or CASC why not contact the Charities Commission on telephone 0845 3000 218 or visit their website at [www.charitycommission.gov.uk](http://www.charitycommission.gov.uk) to find out more about the benefits of being registered.