

Business Rate Relief Policy

Mandatory business rate relief

is available to:

- any organisation which is a registered charity and the property is used wholly or mainly for charitable purposes
- Community Amateur Sports Clubs (CASC) registered with HM Revenue & Customs.

Mandatory Rate Relief for these organisations is funded by the government and gives a recipient an 80% reduction in their business rates.

Mandatory Rate Relief at 50% is also available to certain small shops and post offices in rural settlements.

Discretionary Rate Relief (DRR)

In addition to the 80% mandatory rate relief, the Council can award DRR from 1% through to the full amount of the remaining 20% of the rate bill and the award is entirely at the Council's discretion.

Non-profit making organisations which are not entitled to mandatory rate relief may apply for discretionary rate relief if they meet the eligibility criteria.

ELIGIBILITY

- An organisation which is a registered charity and where the property is used wholly or mainly for charitable purposes
- Community Amateur Sports Clubs (CASCs) registered with HM Revenue & Customs
- Organisations which are non-profit making and where a rateable property is used for charitable purposes, concerned with education, social welfare, science, literature/the fine arts, or is used wholly or mainly for recreation by a not-for-profit club or society.

The Council may also award discretionary rate relief to top up the mandatory rate relief available to certain ratepayers in rural settlements.

The Council has powers to award discretionary rate relief to other ratepayers but only in very exceptional circumstances will these be exercised.

General Criteria for granting Discretionary Rate Relief

- Applications for Discretionary Rate Relief will be reviewed against the criteria shown below and the Council must be satisfied that the property is used for purposes which are of benefit to Horsham District Council residents.
- Eligible organisations which receive other grant funding from the Council for their core services, and those which provide services on a contractual basis to the Council, can expect to be awarded discretionary rate relief in full.
- The Council sets a budget each year for the cost of discretionary rate relief and grants may need to be proportionally adjusted to remain within the total budget available

Discretionary Rate Relief will normally be limited to 50% of the amount payable and a maximum amount of £8,000 (after any mandatory relief has been granted) unless:

In the opinion of the responsible Cabinet Member, the services provided by the organisation contribute to reducing public expenditure and would otherwise be met by the taxpayer if the service was no longer provided by the organisation.

The organisation, in the opinion of the Cabinet Member is helping the priorities of the Council as described in its District Plan to a considerable degree, and so may be awarded a DRR grant of up to 75% to a maximum of £8000.

. Organisations where the following points apply will not generally receive DRR

- **Charities or organisations that are not primarily for the benefit of HDC residents** - The Council is unlikely to grant DRR to charities or organisations located within the Council's area where the premises in question are used to provide or administer services for an organisation of an international, national, county wide or regional nature unless there is some particular demonstrable benefit to the residents of Horsham District significantly over and above the benefit to the residents of other areas.
- **Shops operated by trading arms of charities** - Permanent profitable shops run by charities would not normally qualify for DRR and in any circumstances the Council is unlikely to grant relief to shops operated by the trading arms of locally based charities unless they can demonstrate that at least 75% of their purpose is for the benefit of the Horsham District Council community alone and where donated goods make up at least 75% of their sales.
- **Bodies operating a restrictive membership policy** - It is not the Council's general policy to grant relief to any body that does not allow access to all parts of the community unless such restrictions are necessary because of the size of the property occupied by the body or in order to ensure a pre-determined level of ability or required standard of achievement for a particular sport or activity.
- **Businesses having more than 12 months spending available as free reserves** - An organisation, or an organisation to which it is directly affiliated, whose accounts clearly show an ability to pay or an ability to readily generate sufficient income to cover running costs will not be considered for relief unless a medium term business plan exists which details how these reserves are to be used to the benefit of the local community.

- **Organisations whose premises are shared with other businesses which do not meet the eligibility criteria** – generally no discretionary rate relief will be awarded in these circumstances
- **Sports clubs with paid players-** generally no discretionary rate relief will be granted where players are paid.

Organisations with high bar and/or gaming machine profits - an organisation which operates a licensed bar or has gaming machines must be able to demonstrate that these are not the primary or a significant attraction for the majority of members and that it is still primarily a sports organisation. Organisations generating more than £25,000 each year in combined bar and gaming machine takings would not normally qualify for relief. If bar income is less than bar expenditure then relief will generally not be given.