

1. BACKGROUND

Non-Domestic Rates, or business rates, collected by local authorities are the way that those who occupy non-domestic property contribute towards the cost of local services. Under the business rates retention arrangements introduced from 1st April 2013, authorities keep a proportion of the business rates paid locally. This provides a direct financial incentive for authorities to work with local businesses to create a favourable local environment for growth since authorities will benefit from growth in business rates revenues. The money, together with revenue from council tax payers and certain other sums, is used to pay for the services provided by local authorities in your area. Further information about the business rates system, including transitional and other reliefs, may be obtained at www.gov.uk.

Apart from properties that are exempt from business rates, each non-domestic property has a rateable value which is set by the valuation officers of the Valuation Office Agency (VOA), an agency of Her Majesty's Revenue and Customs. They draw up and maintain a full list of all rateable values, available at www.gov.uk/government/organisations/valuation-office-agency.

Charitable and Discretionary Rate Relief Scheme Guidelines

The Local Government Finance Act 1988 (LGFA 1988) requires Enfield Council to maintain a Discretionary Rate Relief Scheme to consider applications for business rates relief of up to 100% to certain organisations which operate within specified criteria. This includes:

- Charitable bodies (who receive mandatory 80% relief). The Council has further discretion to 'top up' this relief to up to 100% of the rates due.
- Registered community amateur sports clubs (CASCs) (who receive mandatory 80% relief). The Council has further discretion to 'top up' this relief to up to 100% of the rates due.
- Not-for-profit organisations. The Council has discretion to grant discretionary rate relief of between zero and 100% of the business rates due.

The Council will invite applications from charities, CASCs and not-for-profit organisations under the discretionary scheme. The Council will also request that all organisations in receipt of mandatory rate relief complete and sign an application form to confirm that they fulfil the criteria for the award of the mandatory relief in accordance with S43 (5 and 6) and S45 (5 and 6) of the LGFA 1988. Applications made by agents on behalf of these organisations must include written confirmation signed by the ratepayer that the application is being made on their behalf.

In determining applications for discretionary rate relief, the Council can:

- grant relief up to a maximum of 100% of the rates due.
- grant relief for a sum less than 100% of the rates due; or
- refuse any application for relief.

Applications should be made promptly; if an application for discretionary relief is made in good time to allow a decision to be made before the end of September in the current year, relief will be applied from the beginning of the previous financial year if appropriate.

The Council reserves the right to cancel or reduce any award of discretionary relief covered in this section if the business in receipt of that award is found to be behaving in a way that is not in the best interests of Enfield residents.

Guidance for granting discretionary rate relief

ORGANISATION	RATE RELIEF
Scouts, Guides and exempt organisations etc	Usually qualify for 80% mandatory relief and may be assessed for up to 20% top up.
Village Halls, Community Centres Youth Clubs Welfare Groups	If registered charities, they usually qualify for 80% mandatory relief and assessed for up to 20% top up. Alternatively, up to 100% discretionary relief may be considered for such organisations if they are not registered as charities.
Charity shops	Usually qualify for 80% mandatory relief, not discretionary top up, to ensure they are not given an unfair advantage over other shops. The shop must be wholly or mainly used for the sale of goods donated to the charity and the proceeds of the sale of goods must be applied for the purposes of the charity (after deduction of expenses).
Organisations sharing a building which is hosting more than two voluntary and community sector organisations	Mandatory rate relief and discretionary rate relief may be considered depending on whether the organisations are charities or not.
Organisations sharing premises with limited companies or businesses	Will not be considered for any rate relief.
Administration offices for national charities	Usually apply 80% mandatory relief only
Voluntary aided, voluntary controlled or grant aided schools	Usually allow 80% mandatory relief only
Places of public religious worship, church halls and administrative offices for religious denominations	Usually qualify for 80% mandatory relief and considered for up to 20% discretionary top up relief.
Sports and Recreational	
Leisure Trusts/Charities providing sport and active leisure facilities and services from the Enfield local leisure and sports centres.	Usually allow 80% mandatory and considered for up to 20% top up relief.
Community Amateur Sports Club (CASC)	Premises occupied by a CASC registered with the HM Revenues and Customs will receive 80% mandatory relief.

Community Interest Companies	
These are hybrid companies that able to own shares and distribute profit and dividends.	May only be considered for a maximum of 40% discretionary rate relief ONLY if they satisfy three or more of the Council's priorities. Otherwise, these organisations will not receive discretionary rate relief.

2.1 Charitable bodies (charities)

Mandatory rate relief of 80% is granted to charities in the following circumstances:

- The ratepayer of a property is a charity or the trustees of a charity, **and**
- The property is wholly or mainly used for charitable purposes (including charity shops, where the goods sold are wholly or mainly donated and the proceeds are used for the purpose of the charity).

Registration under the Charities Act 2006 (and subsequent Acts) is conclusive evidence of charitable status. Bodies which, under the 2011 Act, are exempted from registration are also eligible for mandatory relief. Providing the above criteria are met, 80% mandatory rate relief is granted.

As this is a mandatory award, any challenge to the Council's decision can be made through the Council's Complaints Procedure and then to the Magistrates Court by way of a defence against the application for a liability order, rather than any other internal review.

In cases where a charity is in receipt of mandatory rate relief of 80%, the Council has discretion to grant up to 20% additional rate relief.

The Council will consider applications for 'top up' discretionary rate relief from charities based on their own merits, on a case-by-case basis. The principal consideration is that any relief is in the best interests of the taxpayers of Enfield Council, as the Council taxpayers must bear a part of the cost of any relief granted.

In determining the application, the following matters will be taken in to consideration

- How the charity supports and links into the Council's corporate vision and priorities.
- The purpose of the charity and the specific activity carried out within the building/premises for which the relief is requested; and
- Whether the charity operates at a local or national level and where appropriate, the local and national funding streams and financial position of the charity.

2.2 Registered Community Amateur Sports Clubs

Mandatory rate relief of 80% is granted to registered community amateur sports clubs (CASC). To qualify as a CASC, a sports club must fulfil all the following criteria:

- Open to the whole community
- Run as an amateur club
- Be a non-profit making organisation; and
- Aim to provide facilities for, and encourage people to take part in, eligible sport.

Registration with HMRC is required to be recognised as a CASC. An entry in the list of all registered CASCs on the HMRC website is sufficient to award 80% mandatory rate relief.

In cases where a CASC is in receipt of mandatory rate relief of 80%, the Council has discretion to grant up to 20% additional rate relief as a discretionary 'top up'.

The Council will consider applications for a discretionary rate relief 'top up' from CASCs based on their own merits on a case-by-case basis in line with these guidelines. The principal consideration is that any relief is in the best interests of the taxpayers of Enfield Council, as the Council must bear part of the cost of any relief granted.

In determining the application, the following matters will be taken in to consideration (the list is not exhaustive):

- How the CASC supports and links into the Council's corporate vision and priorities.
- The membership and fee structure and whether the CASC is accessible to all residents, including whether there are concessions for certain groups, for example people on a low income or young people under 18.
- Membership numbers and the number and percentage of these members that are Enfield Council residents.
- If the CASC has due regard to equality issues and if it actively encourages members from under-represented groups, for example black and minority ethnic residents, more mature people and people with disabilities; and
- Whether facilities are available to the wider community regardless of ability.

The Council will also require additional financial information including:

- If the CASC runs a bar and/or food provision, the level of income from this activity and how this money is used; and
- Whether the CASC operates at a local or national level and where appropriate, the local and national funding streams and financial position of the CASC.

2.3 Not-for-profit organisations

The Council has the power to grant discretionary rate relief of up to 100% of the rates due to other not-for-profit organisations. The relief could be given to properties used by not-for-profit organisations for recreational, charitable or philanthropic purposes or in connection with education, social welfare, science, literature or the fine arts.

The Council will consider applications for discretionary rate relief from not-for-profit organisations on their own merits on a case-by-case basis.

The principal consideration is that any relief is in best interests of the taxpayers of Enfield Council, as the Council must bear the cost of any relief granted

In determining the application, the following matters will be taken in to consideration (list is not exhaustive):

- How the organisation supports and links into the Council's corporate vision and priorities.
- Whether the facilities provided include education and/or training for members as a whole or for special groups.
- The extent to which the facilities provided reduce the demand for Council services or produce savings.
- Any membership and fee structure and whether the facilities are accessible to all residents, including whether there are concessions for certain groups, for example people on a low income or young people under 18;
- If covered by a membership scheme, membership numbers and the number and percentage of these members that are Enfield residents; and

- If the organisation has due regard to equality issues and if its facilities are used by all members of the community, for example black and minority ethnic residents, mature people and people with disabilities.

The Council will also require additional financial information including:

- If the organisation runs a bar or food provision, the level of income from this activity and how this money is used; and
- Whether the organisation operates at a local or national level and where appropriate, the local and national funding streams and financial position of the organisation.

2.4 Community Interest Companies (CIC's)

Community Interest Companies are set up as limited companies and as CIC's. They do not have the same regulation as charities, the directors receive remuneration and they have the advantages of limited companies by being able to issue shares and pay dividends. They are commercial in nature and may be found to be unfairly gaining advantage in comparison to small companies in the same area of business. These organisations can distribute 35% of any profits they generate to their members. In exceptional circumstances they may be considered for discretionary rate relief and any relief awarded will be restricted to a maximum of 40%

Factors considered when assessing an application

(a) Which aspects of the Council's priorities would be met by the award of discretionary rate relief?

The level of discretionary rate relief that can be awarded depends on whether and how well an organisation can demonstrate that it helps the Council to achieve its priorities. These are listed below.

The Councils corporate vision and priorities

1. *Clean and green spaces*

Enfield's priorities are to:

- Enhance biodiversity and protect our parks, open spaces, woodlands, watercourses, wetlands, trees and shrubs
- Keep our streets and public spaces clean and welcoming
- Enable active and low carbon travel
- Facilitate reuse of materials, reduce waste and increase recycling rates
- Reduce carbon emissions from our buildings, street lighting, fleet and the goods and services we procure

2. *Strong, healthy and safe communities*

The priorities are to :

- Improve feelings of safety and tackle crime and antisocial behaviour
- Protect vulnerable adults from harm and deliver robust early help and social care services
- Work with our partners to provide high quality and accessible health services

- Support communities to access healthy and sustainable food
- Improve our leisure and sports opportunities to enable more active lifestyles
- Nurture our arts, heritage and creative sectors to connect people through culture

3. *An economy that works for everyone*

The priorities are to:

- Enable local people to develop skills to access good quality work
- Support local businesses and encourage inward investment in growing sectors which offer sustainable employment to local people
- Provide support and advice for residents on low incomes
- Develop town centres that are vibrant, healthy and inclusive
- Transform our industrial land to create modern and low carbon spaces for business

4. *Thriving children and young people*

- Help all children to have the best start in life
- Safeguard children and young people and increase support in-borough for looked after children with complex needs
- Improve educational outcomes for all children and young people
- Increase local education, play and leisure opportunities for children and young people with special educational needs and disabilities
- Engage children and young people in positive activities
- Involve children and young people in decisions that affect their lives

5. *More and better homes*

- Build and facilitate more good quality homes that local people can afford
- Deliver low carbon, and climate-resilient new-build homes and facilitate retrofitting of existing homes
- Create well-connected, digitally enabled and well-managed neighbourhoods
- Invest in and improve our council homes
- Drive up standards in the private rented sector
- Provide a range of specialist housing for those who need it

(b) Whether the ratepayer is in direct competition with other ratepayers in the immediate vicinity or outside the Borough.

The Council would not wish to give any organisation a competitive advantage by the award of rate relief. It is therefore unlikely that a charity shop or the office of an organisation providing a similar service elsewhere would receive discretionary relief.

(c) The benefit the ratepayer brings to the residents of the Borough

The Council needs to ensure that the award of discretionary rate relief is to the benefit of the wider population of Enfield. Any ratepayer who is customer based or whose membership is over 50% from outside Borough is unlikely to qualify for relief unless they can prove a sound case for a specific and unequivocal benefit to residents of the Borough.

(d) The cost to the Council Tax payer

The cost to the Enfield Council Tax payer of awarding relief is 30% of the discretionary relief granted. The Council will need to be satisfied that value for money is being provided, bearing in mind the level of subsidy an organisation will receive.

(e) Whether the ratepayer is a local organisation, a national organisation or a branch of a national organisation

The Council will need to consider the overall significance to the community of the organisation and what effect the award of rate relief will have upon the organisation. If the benefit of the rate relief is kept locally, the relief is more likely to be awarded than if it goes to a national organisation which is based elsewhere.

(f) Membership costs

Joining fees and/or subscriptions should not be used to restrict membership, directly or indirectly. Organisations with excessive membership fees will be excluded from rate relief.

(g) Whether the organisation encourages representation from disadvantaged or under-represented groups in the community

Organisations that do so may be considered more worthy of rate relief. Are there specific schemes for particular groups e.g. young people, the disabled, elderly or unemployed etc?

(h) Whether membership is determined by existing members

Where an organisation determines membership based on election by existing members this could be construed as restrictive. Such organisations will need to be carefully evaluated as to whether they should receive discretionary rate relief.

Other factors – organisations displaying restrictions upon membership and access will not be considered. The Council will include in its consideration

- membership open to all
- are membership discounts available (e.g. elderly, disabled etc)
- are the organisations facilities available generally or at certain times
- does not discriminate against any section of the community
- No payments should be made to playing members (of any sports organisations)

(i) Whether the organisation provides training or education for its members

An organisation which provides training packages or educational aspects for its members may be more worthy of relief than ones that do not.

(j) Is the organisation or the facilities provided being funded largely by self-help rather than relying on external funding?

Whilst many organisations do depend on grant-aid and awards from statutory bodies, those which undertake fundraising themselves by various methods may be more worthy of rate relief than those who do not make additional efforts.

(k) Whether the organisation operates a licensed bar

An organisation which operates a licensed bar is generating income, although this should not be confused with the self-help detailed in note (j) above.

Discretionary rate relief should not be awarded to give additional subsidy. Are bar receipts excessive? If the net income of the bar and gaming machines exceeds 30% of total income, discretionary relief will be restricted to 50% of whatever would have been awarded based on the assessment score.

What if our circumstances change?

If the aims and objectives of the organisation, or the use in which the premises are used for, change then the Council needs to be notified of this immediately. All successful applications will be subject to a review every year to ensure relief is still applicable.

2.5 Decision making process for Discretionary Rate Relief applications

All applications will be assessed based on the criteria agreed by the members of Enfield Council. Where the financial award would be less than £10,000 per annum based on an annual rates bill will be agreed by the Business Rates Manager. If the award is £10,000 or more it will be subject to a financial assessment and then agreed by the Head of Income & Debt

Where the application is refused, any requests for a review of the decision will be considered by the Head of Income & Debt

Cost of rate relief

A proportion of the cost of the scheme is borne by Central Government, The Greater London Council and the Council. Currently, this is summarised in the table below:

Percentage met by the Greater London Authority	Percentage met by Enfield Council	Percentage met by Central Government
33%	30%	37%

Successful applications will be notified of the award in writing and a revised rate demand issued. Any resulting credit will be automatically refunded by the Council. The award will relate to the financial year when the application was determined. Unsuccessful applicants will be notified in writing. All discretionary awards will be reviewed annually in accordance with Government guidance.

Appeals

There is no right of appeal against a decision of the Council not to award discretionary rate relief. If an applicant is dissatisfied with the outcome of their application, they can ask for a review of that decision. The decision will be reviewed by the Head of Service within 20 working days of the refusal decision being made. Any further challenge relating to the Council not granting the relief would be in accordance with Section 138 of the Local Government Act 1988 by way of Judicial Review.

Enfield Council - Local Discounts

Enfield Council has a general power to grant discretionary local discounts to any ratepayer who does not qualify for any of the other government funded/shared cost reliefs. The Council bears 100% of the costs of awarding these local discounts.

Section 69 of The Localism Act 2011 amends Section 47 of the Local Government Finance Act 1988 and allows the Council to grant locally determined business rate discounts (in addition to the already available discretionary rate reliefs).

This power recognises that the current business rates scheme is broadly prescribed by central government and its aim is to provide increased flexibility to local authorities to support organisations, recognising the variations in economic conditions across and within local authority boundaries.

Enfield Council will consider exceptional applications for a local business rates discount from organisations, based on their own merits and on a case-by-case basis. When deciding whether to award a local business rates discount, the principal consideration will be that in granting any discount there should be a resultant substantial, positive impact for residents and taxpayers, as the Council must bear the full cost of any relief granted.

The following criteria will also be taken into account when considering applications:

- Whether the organisation provides substantial and essential long-term benefits to both the community and the council tax payer, such as increasing employment or improving amenities available to the local community; and
- Consideration of whether there are other businesses in the area which provide the same or similar services or facilities and whether the award could have an anti-competitive effect on other businesses.

Any award will be made as a credit to the business rates account. If the account is in credit as a result this can be refunded on request to the ratepayer.

The Council reserves the right to cancel or reduce any award of any local discount if the business in receipt of that award is found to act in a way that is prejudicial to the Council.

Any applications for local discounts must be authorised by the ED for Resources or designated deputy