

**APPLICATION BY A CHARITY OR ORGANISATION FOR RELIEF  
UNDER THE LOCAL GOVERNMENT FINANCE ACT 1988**



**Sutton**

Name and Address of Charity: \_\_\_\_\_  
or Organisation \_\_\_\_\_

Property Reference Number	Address of Hereditament	Description	Rateable Value

Please reply to:

**London Borough  
of Sutton**  
Revenues Section  
Resources Group  
Civic Offices  
St Nicholas Way  
SUTTON  
Surrey  
SM1 1EA

**PARTICULARS IN SUPPORT OF CLAIM**

**1. Particulars of Charity of Organisation**

(a) What are its main objects and purposes? (a) \_\_\_\_\_  
\_\_\_\_\_

(a) Is it registered with the Charity Commissioners (b) \_\_\_\_\_  
or the Minister of Education? If so, please  
state the Registration No. \_\_\_\_\_

(c) If exempt from registration please state on what (c) \_\_\_\_\_  
grounds. \_\_\_\_\_

Minicom 0208 770 5178  
DX No 134340 Sutton 11  
[www.sutton.gov.uk/businessrates](http://www.sutton.gov.uk/businessrates)

**2. Details of hereditament for which relief is claimed**

(a) Purpose(s) for which used (a) \_\_\_\_\_

(b) Is whole of hereditament used or these purposes?  
If not, please give details. (b) \_\_\_\_\_

**3. Section under which relief is claimed** (a) Section 43(6) - YES/NO  
(b) Section 45(6) - YES/NO  
(c) Section 47(1) - YES/NO

If answer to (c) is YES, please see Notes below.

**I HEREBY CERTIFY that the particulars given above are correct to the best of my knowledge and belief.**

**Signature** \_\_\_\_\_  
**Address** \_\_\_\_\_  
**Capacity in which signed** \_\_\_\_\_  
**Date** \_\_\_\_\_

**Notes:**

In cases where the application is being made for relief under Section 47(1) the following documents must also be forwarded with the application: -

- (1) Copy of the Memorandum and Articles of Association, or Rules of the Association (These will be returned after the application has been considered).
- (2) Copies of the audited accounts and balance sheets for the last 2 years.

**Please complete and return to:**

**Strategic Director,  
Resources  
London Borough of Sutton  
Civic Offices, St Nicholas Way  
Sutton SM1 1EA  
020 8409 7100**

**Telephone queries:**

## Sections under which relief may be claimed

- (a) Section 43(6)**                      Where the ratepayer is a charity or trustees for a charity and the hereditament is wholly or mainly used for charitable purposes (whether of that charity or of that and other charities)

NOTE: This section gives mandatory relief to a charity in occupation of a hereditament used for charitable purposes. The charity will only pay 20% of the full non-domestic rate liability. This includes applications for CASC.

- (b) Section 45(6)**                      Where the ratepayer is a charity or trustee for a charity and it appears that when next in use the hereditament will be wholly or mainly used for charitable purposes (whether of that charity or of that and other charities)

NOTE: This section gives mandatory relief to a charity who is the owner of a hereditament which is unoccupied at present but when next occupied will be used for charitable purposes. The charity will only pay 10% of the full non-domestic rate liability.

- (c) Section 47(1)**                      Where one or more of the following applies –
- (i)    the ratepayer is a charity or trustees for a charity, and the hereditament is wholly or mainly used for charitable purposes (whether of that charity or of that and other charities);
  - (ii)     the hereditament is not an excepted hereditament, and all or part of it is occupied for the purposes or one or more institutions or other organisations none of which is established or conducted for profit and each of whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature of the fine arts;
  - (iii)    the hereditament is not an excepted hereditament, it is wholly or mainly used for purposes of recreation, and all or part of it is occupied for the purpose of a club, society or other organisation not established or conducted for profit.

NOTE: Under this section, a charity or other organisation, fulfilling one or more of the conditions above may apply for discretionary relief. The level of relief will be fixed by a decision of the charging authority on the facts of each application.

## **CRITERIA USED IN THE CONSIDERATION OF APPLICATIONS FOR DISCRETIONARY RATE RELIEF UNDER SECTION 47(1) OF THE LOCAL GOVERNMENT FINANCE ACT 1988**

The following criteria are adopted by the Council in deciding whether to grant relief and in determining the level of relief.

### **1. Access**

- (a) Is membership open to all sections of the community? There may be legitimate restrictions placed on membership which relate, for example, to ability in a sport or to the achievement of a standard in the field covered by the organisation or where the capacity of the facility is limited. Clubs provided by employers and solely and mainly used by their employees may not be granted relief. Clubs or organisations which have membership rates set at such a high level as to exclude the general community are unlikely to be awarded relief.
- (b) Does the organisation actively encourage membership from particular groups in the community which the Authority consider particularly deserving of support, e.g. young people, older age groups, persons with a disability, women, ethnic minorities, etc?
- (c) Are the facilities made available to people other than members, e.g. schools, casual public sessions, etc? The wider the use of facilities is encouraged and rate relief might be one form of recognition that an organisation was promoting its facilities more widely.

### **2. Provision of Facilities**

- (a) Does the organisation provide training or education for its members? Are there schemes for particular groups to develop their skills, e.g. young people, the disabled, retired people?
- (b) Have the facilities available been provided by self-help or grant aid?
- (c) Does the organisation have a bar? The existence of a bar is not in itself a reason for not granting relief, but the Council will look at the main purpose of the organisation. In sports clubs, for example, the balance between playing and non-playing members will be a useful guide as to whether the main purpose of the club is for sporting or social activities. A social club whose main aim is to bring people together with similar interests will not be excluded from relief just because of the existence of a licensed bar.
- (d) Does the organisation provide facilities which indirectly relieve the Authority of the need to do so, or enhance and

supplement those which I does provide? The Council will not refuse relief on the grounds that an organisation is in competition with the Authority, but should look at the broader content of the needs of the community as a whole. Provision of facilities to meet a new need, not being provided by the Authority itself, but identified as a priority for action, may be particularly deserving of support.

### 3. Other Considerations

- (a) Is the organisation affiliated to a local or national organisation, e.g. local sports or arts councils, national representative bodies? Are they actively involved in local/national development of their interests?
- (b) Is the membership drawn from people mainly resident in the Borough? Authorities have to bear in mind that 25% of the cost of any relief will be borne by local taxpayers in their area.

### 4. Finances of the Organisation

- (a) Does the organisation need financial assistance? Copies of the last two years' audited accounts are considered in order to judge this.
- (b) Generally, if a substantial surplus is produced each year by the applicant organisation, then relief will not be considered unless there are other factors present, such as a substantial renovation or rebuilding programme planned or underway. Where applications for discretionary rate relief are received from organisations with reserves in excess of £100,000, the level of general reserves is considered in relation to turnover and the following levels or relief are applied:

<u>General Reserves/Turnover</u>	<u>Discretionary Rate Relief</u>
Less than 50%	75%
50%-80%	50%
80%-120%	25%
More than 120%	nil

Please note with effect from 1 April 2012 the maximum amount of Discretionary Rate Relief any organisation is entitled to will be limited to £7,000 per annum

- (c) Where an organisation is struggling financially, this is not taken at face value. Questions may be asked about the level of membership fees and other charges, i.e. are they realistic compared with those charged by other similar organisations? Where such a situation arises, and action by the organisation to rectify matters then takes place, then provided other criteria are met, relief for a temporary period may be considered.