

## **Merton Council Discretionary Rate Relief - 2024/25**

The Council has the discretion to grant relief of up to 100% of the rates on properties occupied by certain non-profit making bodies or in the case of registered charities that are entitled to 80% mandatory relief, to top up to 100%.

### **Criteria**

In deciding to grant discretionary relief the Council will look at:

- The services provided by the organisation are directly for the benefit of residents in the borough
- The contribution the organisation makes to the borough and its residents
- Organisations not established for profit whose objectives are charitable, philanthropic, or social welfare
- How the organisations activities meet the Council's direction and vision for the borough through the Community Plan.

### **Mission for Merton**

Our mission is to bind Merton's distinct communities together with a common sense of belief in safe neighbourhoods, social progress and educational opportunity, bridging the gap between the inequalities that exist in the borough. We will focus on the following:

**Opportunity Merton** - The programme to improve education, from nursery level to adult provision, to develop local cultural and leisure offers for all, and to increase participation in local decision making.

**Healthy Merton** - Our commitment to enhance the lives of vulnerable, younger and older residents through improving health and social opportunities.

**Sustainable Merton** - Our commitment to improve the local environment whilst providing access to better local amenities, transport and social housing.

**Safer Merton** - The drive to make the borough a safer place, tackling anti-social behaviour, and to ensure cohesion between communities and generations.

**Enterprise Merton** - A commitment to stimulate enterprise in the borough, reduce red tape to support small businesses, promote employment opportunities and keep council tax down.

### **Applications**

Written applications are required, and any evidence requested by the Council must be provided. Discretionary rate relief will only be granted for up to 12 months.,

Where an application is received before the 30 September in any year, relief may be backdated to 1 April of the preceding year if applicable. Where an application is

received between 1 October and 31 March, the relief will only be backdated to the 1 April of the financial year in which the application is received.

Each application will be reviewed annually to determine continued relief. Where an organisation fails to return their review form by the date specified the relief will only be granted from the date the review form is received unless exceptional circumstances prevail.

### **Cost to the Council Taxpayer**

The budget for discretionary rate relief is limited and is partly funded by council taxpayers and therefore the Council will need to be satisfied that there will be a benefit to the community by awarding relief. The Council will look at the financial status of the organisation and applications may be refused where funding is received elsewhere, or it is considered that the organisation can meet the rates liability even though it is non-profit making or re-invests any surplus back into the organisation.

### **Subsidy Controls**

Subsidy control regulations will be considered.

### **Timeframe**

A decision will normally be made within four weeks of receiving all the information required.

### **Cancellation of Relief**

Relief will normally be allowed for a specified period (no more than 12 months). Relief will be cancelled at the end of each year unless a new application is received.

Relief will also be cancelled/reviewed if:

1. The ratepayer ceases to be liable for business rates
2. The property becomes empty (this change is a non-relevant variation to our decision to grant)
3. There is a decrease, or the amount of rates payable is recalculated based on lower charge.
4. The ratepayer ceases to be a charity or non-profit organisation

The ratepayer has an obligation to tell the council where (1) to (4) applies.

### **Decision Making and Appeals**

The Executive Director of Finance and Digital in conjunction with the Head of Revenues and will be responsible for approving all applications. There will be no right of appeal.

Description	Discretionary Relief Award
<b>A.</b> Local youth organisations such as Scouts, Guides etc., who provide formal facilities and activities for the young and who as charities receive the 80% mandatory relief (not including academies)	Up to 20%
<b>B.</b> Local charities providing direct or non-direct facilities and/or help to the public, where Merton residents make up at least 80% of the overall local client base, and who as charities receive the 80% mandatory relief	Up to 20% direct services Up to 10% non-direct services
<b>C.</b> Local charity <u>not</u> a registered charity, but is non-profit making and set up for charitable purposes for local residents where it can be demonstrated that the client base/customers is made up of at least 80% Merton Residents	Up to 90%
<b>D.</b> Branches of National Charities receiving 80% mandatory relief – where it can be demonstrated that the client base/customers is made up of at least 80% Merton Residents or there is a benefit to local residents	Up to 10%
<b>E.</b> Any other registered Charities receiving 80% mandatory relief– where it can be demonstrated that the client base/customers is made up of at least 80% Merton Residents	Up to 10%
<b>F.</b> Sports Grounds and Social Clubs, who are not bona fide charities, whose membership is available to all, at an acceptable membership cost, may, provided Merton’s residents comprise more than 60% of membership	Up to 80%
<b>G.</b> Charity shops receiving 80% mandatory relief, which sell donated goods <del>G.</del> Charity shops receiving 80% mandatory relief, which sell donated goods	Up to 10%