

Rate Relief Illustrative Examples

Examples of how Rate Relief works in practice

The following are anonymised examples showing how a relatively small contribution from the council combines with central government help, to provide a significant reduction of the NNDR bill.

<p>Organisation A – a charity concerned with providing pathways to education and employment, co-ordinating many established training projects and employment schemes. Value to organisation is full reduction, saving them <u>£11,941.08</u>. Cost to council is <u>£1791.17</u></p>		
<u>Rates breakdown</u>		<u>Who pays for reduction?</u>
Rates payable =	£11,941.08	
80% automatic reduction	-£9552.86	(BHCC= nil / Government = £9552.86)

Balance to pay before discretion	£2,388.22	
Top up awarded	£2,388.22	(75% BHCC = 1791.17 / 25% Govt = £597.05)
Final balance to be paid	£0.00	

Fig 2. Example of DRR applied to charitable organisation

<p>Organisation B – a not-for-profit arts club, open to members and non-members, running various life drawing, painting and sculpture classes. Value to organisation is full reduction, saving them <u>£1933.62</u> Cost to council is <u>£483.41</u></p>		
<u>Rates breakdown</u>		<u>Who pays for reduction?</u>
Rates payable =	£1933.62	
No 80% reduction as not charity		

Balance to pay before discretion	£1933.62	
Top up awarded	£1933.62	(25% BHCC = 483.41 / 75% Govt = £1450.21)
Final balance to be paid	£0.00	

Fig 3. Example of DRR applied to not-for-profit organisation