Report to: **Elsea Park Community Trust Board**

Date: **Wednesday 6 November 2013**

Subject: **Non Domestic Rate Relief**

From: **Sally Waltham – Community Trust Manager**

1.0 Background

1.1 An application for Non Domestic rate Relief (NDR) was made to South Kesteven District Council in November 2012. As the Trust is not a charity the Council required the Trust to seek confirmation from HMRC that the Trust was treated as a charity for tax purposes. Such confirmation was sought from HMRC Corporation Tax section. The process was lengthy and no such confirmation was given. SKDC informed us that advice should be sought the Charities Section of HMRC.

1.2 Confirmation was sought in September 2013and a reply was received on 28 October 201, although dated a week earlier. Their response is attached. It is self-explanatory but the main points are summarised below:

- The Finance Act 2010 introduced a new definition of charity for tax purposes
- A new application form has been introduced to check whether organisations satisfy the new definition
- Before an application can be made to HMRC, the Trust must register with the Charity Commission
- If the Charity Commission are unable to register the company but does not turn it down, the relevant correspondence should be sent to HMRC together with their application form

1.3 The implications of the HMRC are being considered and there will be a verbal update to the meeting. SKDC are to be informed of the letter from HMRC.

Recommended

None - for information