

# Executive

## Discretionary Rate Relief for Charities, Community Amateur Sports Clubs and 'Not for Profit' Bodies (for National Non Domestic Rates)

1 November 2010

### Report of Head of Finance

#### PURPOSE OF REPORT

Section 47 of The Local Government Finance Act 1988 gives the Council discretionary power to reduce or remit business rates for Charities, Community Amateur Sports Clubs and 'not for profit' bodies. The purpose of this report is to agree an up to date policy which sets guidelines for considering applications and to give delegated authority to award relief. It is important that we ensure that all ratepayers making applications for this relief are treated in a fair, consistent and equitable manner.

The report outlines the :

- Legislation requirements of the award of discretionary relief
- Criteria for discretionary relief
- Financial implications of awarding discretionary relief

This report is public
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#### Recommendations

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The Executive is recommended:

- (1) To consider the discretionary scheme outlined in this report.
- (2) To approve the proposed Discretionary Relief policy framework to be adopted forthwith and be reviewed on an annual basis. (Appendix A)

#### Executive Summary

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##### Introduction

1.1 The Local Government Finance Act 1988 and associated Regulations gives

the Council a discretionary power to award rate relief under Section 47 in respect of the National Non-Domestic Rate (NNDR). The NNDR is also referred to as “business rates”. The Council has 4,409 NNDR payers with a net collectable debit of £64,728,413.

- 1.2 Registered Charities and community amateur sports clubs are already entitled to 80% mandatory rate relief against their rates. This legislation allows the Council discretion to top the relief to 100%. The Council also has the discretion to award 100% rate relief to organisations which do not operate for profit and whose objectives are mainly charitable, philanthropic, religious or concerned with social welfare. The relief can be awarded for either occupied or unoccupied premises
- 1.3 There is a cost to the Council’s General Fund, and therefore to the local Council Taxpayers, in awarding discretionary relief and the Council must give due consideration to the interests of local residents when making awards.
- 1.4 By reducing the rate burden on business and organisations, rate relief can play an important role in ensuring the existence of local employment and community facilities and contribute towards the Council’s Corporate Objectives.
- 1.5 The Council has a legal obligation to consider each request for relief and must come to a reasonable decision. Both the Government and the Audit Commission have issued guidance for Council’s to follow when considering awards. That advice indicates that Council’s must not adopt a blanket policy regarding awards, and must consider the individual merit of each request. However, it is reasonable, and considered good practice, to set criteria against which applications can be measured.

### **Proposals**

- 1.6 Customers wishing to apply for this relief should be encouraged to do so using the council’s approved application form however any application in writing holding all the relevant details will be considered.
- 1.7 The policy, once it has been agreed by the Executive, will ensure that all ratepayers making applications for this relief are treated in a fair, consistent and equal manner.
- 1.8 This policy;
  - (a) Sets guidelines for the factors that should be considered when making a decision to award or refuse relief
  - (b) Establishes a framework to ensure applications are dealt with in an efficient manner.
  - (c) Sets out the delegated authority to award relief in appropriate circumstances.
  - (d) Establishes an appeals procedure for organisations that are dissatisfied with the Council decision.



## Option Three

Not to agree the recommendations

### Implications

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**Financial:** Granting applications under this report will have an effect on the Councils finances and must be considered in making an award of discretionary relief. The 2010/11 budget is £138,088 and to date we have utilised £114,526 and would expect to use the full budget by the end of the financial year.

Comments checked by Eric Meadows, Service Accountant, 01295 221552.

**Legal:** This policy meets the requirements of the Local Government Finance Act 1988

Comments checked by Pam Wilkinson, Principal Solicitor, 01296 221688

**Risk Management:** Failure to agree this policy could lead to local businesses being unable to trade or the decisions made being challenged on equity.

Comments checked by Rosemary Watts, Risk Management and Insurance Officer 01295 221556.

### Wards Affected

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All

### Corporate Plan Themes

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**Cherwell, A District of Opportunity**

### Executive Portfolio

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**Councillor James Macnamara, Portfolio Holder for Resources and Communication**

### Document Information

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Appendix No	Title
Appendix A	Business Rates Discretionary Rates Policy
<b>Background Papers</b>	
The Local Government Finance Act 1988	
<b>Report Author</b>	Karen Curtin, Head of Finance Lauretta Vitalis, Service Assurance Manager
<b>Contact Information</b>	01295 221861/7011 Lauretta.vitalis@Cherwell-dc.gov.uk