

Report of the Director of Resources

**DISCRETIONARY NON-DOMESTIC RATE RELIEF – 2013/2014**

**1 Purpose of Report**

- 1.1 To review applications for Discretionary Rate Relief from Business Ratepayers for the 2013/2014 financial year.

**2 Executive Summary**

- 2.1 The Borough Council has the discretion to grant relief to non-profit making organisations providing they satisfy specified criteria.

**3 Appendices**

- 3.1 Appendix 1: Discretionary Rate Relief policy  
3.2 Appendix 2: Summary of review undertaken for 2013/2014

**4 Proposed Action:**

- 4.1 **The Committee is invited to RESOLVE that Discretionary Rate Relief totalling £69,645.92 is awarded to organisations detailed in Appendix 2.**

**5 Background**

- 5.1 The Local Government Finance Act 1988, Local Government and Rating Act 1997 & Rating (Former Agricultural Premises and Rural Shops) Act 2001 confer powers on Councils to grant rate relief. The power can be used to provide relief from all or part of the rates payable. Each case must be considered on merit.

**6 Discussion**

- 6.1 At the Resources Committee on 11<sup>th</sup> January 2012, members adopted a Discretionary Rate Relief policy to make the process clearer for applicants and to provide greater accountability in the award of relief as in the past; reliefs were rolled forward each year irrespective of the level of increase in Business Rates.
- 6.2 The policy has been reviewed internally and issued to relevant bodies for wider consultation with positive feedback from all organisations and individuals who responded.

- 6.3 As part of the review process, ratepayers were informed in 2012 that the Council would require them to submit a new application each financial year.
- 6.4 The form to carry out this process was agreed by the Resources Committee and was distributed to all those already in receipt of relief to apply for the 2013/14 financial year.
- 6.5 All new applications will be presented to the Resources Committee for discussion before any award is made as per the Discretionary Rate Relief Policy.

## **7 Legal Powers**

- 7.1 Section 47 of the Local Government Finance Act 1988 gives the Council the discretionary power to grant relief to non-profit making organisations and the authority to review applications once notice is given.
- 7.2 The Local Government Finance Act 1997 gives the Council the authority to backdate the award of discretionary relief within specified periods.

## **8 Financial and Value For Money Implications**

- |   |            |
|---|------------|
| 8.1 Budget for Discretionary Relief 2013/14 | £70,000    |
| Spend to date                               | £69,645.92 |

## **9 Risk Analysis**

- 9.1 None

## **10 Implications for Resources**

- 10.1 Qualifying organisations become eligible for the free three waste bin collections once approval is granted.

## **11 Implications for Stronger and Safer Communities**

- 11.1 None

## **12 Implications for Equalities**

- 12.1 None

## **13 Author and Contact Officer**

Richard Watson, Consortium Business Rate Manager

## **14 Consultees**

Nigel Robinson, Principal Revenue and Benefits Manager

## **15 Background Papers**

None

## **Appendix 1**

### **POLICY FOR THE AWARD OF DISCRETIONARY RATE RELIEF**

#### **1. Background**

Section 47 of the Local Government Finance Act 1988 empowers Local Authorities to grant discretionary rate relief to ratepayers under certain circumstances.

Awards of discretionary rate relief can be made to various categories of Ratepayer. These include:

- charities;
- organisations which are not established or conducted for profit whose main objectives are charitable and are either:
  - (i) established for philanthropic or religious purposes; or
  - (ii) concerned with education, social welfare, science, literature or the fine arts; or
  - (iii) occupies the property as a club or society.
- small businesses in the Rural Settlement Area.

#### **2. Purpose**

The purpose of this policy is to specify how this Council will operate the Discretionary Rate Relief scheme and to indicate the factors that will be considered when deciding whether to make an award. The Council aims to treat all ratepayers equally when administering the scheme.

#### **3. Objectives**

The Council will make awards of discretionary rate relief to ratepayers who meet the qualifying criteria as specified in this policy. The Council will treat all applications on their individual merits, but will seek through the operation of this policy to meet its current stated corporate objectives.

#### **4. Applying for Discretionary Rate Relief**

In order to claim Discretionary Rate Relief, the ratepayer must provide the Council with all of the information necessary to consider the application. The application form is appended to this Policy document (Appendix 1).

- The Council may consider applications, which provide all the necessary information, regardless of whether the application form has been submitted.
- Applications may only be made by the ratepayer personally or, where the ratepayer is a body corporate, a person authorised to act on behalf of the ratepayer.
- The council may request any reasonable evidence in support of an application for a discretionary rate relief. The Council will make such requests in writing. The ratepayer should provide the evidence within one month.
- If the ratepayer does not provide the required evidence, the Council reserves the right to either treat the application as withdrawn or to consider the application in the absence of the missing evidence. However, the Council may disregard any unsubstantiated statements or draw its own conclusions from other evidence available.
- The Council may in any circumstances verify any information or evidence

provided by the ratepayer by contacting third parties, other organisations and the ratepayer.

Any award of Discretionary Rate Relief will be for a period of one year only.

To renew an award, an applicant will need to complete a shorter Renewal Application Form, which is also appended to this document (Appendix 2). Every five years, a recipient of Discretionary Rate Relief will be required to complete a full application form (Appendix 1).

Where applications including Renewal Applications are not completed in full and received by the Council by the due date, the Council reserves the right to make no award of Discretionary Rate Relief for the following year.

## 5 Period and amount of award

All awards of Discretionary Rate Relief will be for a period of one year only.

However the Council reserves the right to

- backdate the award to the start of the current financial year;
- backdate the award to some other specified date (such as the start of rate liability);
- commence the award from some specified future date.

The Council reserves the right to make an award of discretionary rate relief that does not fully remit a ratepayer's liability, if it considers it appropriate to do so under the terms of this policy or to meet its budgetary constraints. The cost of granting rate relief is borne between the Government and the Council. The Council's portion is financed through the Council Tax.

The cost is met as follows:-

<b>Relief Type</b>	<b>Cost to Council % of any relief awarded</b>	<b>Cost to Government % of any relief awarded</b>
Registered charities in receipt of Mandatory Relief	75%	25%
Non-profit distributing bodies and sports clubs	25%	75%
Village shops	25%	75%
Community Amateur Sports Clubs	75%	25%

## 6. Administering applications and making awards of discretionary rate relief

The Consortium Business Rates team will undertake the administration of applications for discretionary rate relief. A composite report will be presented to the Resources Committee detailing re-applications made, implications for the authority and seeking approval for award of relief for the next financial year. New applications will be submitted to the Resources Committee independently.

## 7. Matters to be considered in making awards

When deciding whether to make awards the Council will consider:

### **In all cases:**

- whether the application satisfies the legal requirements;

the Council cannot award relief to any organisation that does not meet the legal requirements of section 47 of the Local Government Finance Act 1988.

- which corporate objectives would be met by the award of relief;

relief is more likely to be awarded to organisations that can show they are helping the Council to achieve its corporate objectives.

- whether the ratepayer also receives mandatory relief;

the cost to the Council of awarding discretionary rate relief to an organization that already qualifies for mandatory relief is 60% of the cost of awarding relief to a body that does not qualify for mandatory relief. Mandatory relief is given to organisations who are charities or CASCS.

- whether the ratepayer is in direct competition with other ratepayers in the immediate vicinity, within or without the Borough;

the Council would not want to give any organisation a competitive advantage by the award of rate relief.

- the specific benefit the ratepayer brings to the residents of the Borough;

the Council wants to ensure that the award of discretionary rate relief is to the benefit of the wider population. It will therefore consider what benefits the ratepayer brings to the residents of the Borough. Any ratepayer whose customer base comes from largely outside the Borough's boundaries is unlikely to qualify for relief, unless they can show a specific and unequivocal benefit to the residents of the Borough.

- whether the ratepayer is a local organisation, or a local branch of a national organisation;

the Council will consider the overall benefit to the community of the organisation and what effect the award of rate relief will have upon the organisation. If the benefit of the rate relief is kept locally, the relief is more likely to be awarded than if it goes to the national organisation based elsewhere.

- the impact on the organisation if the relief was to be refused;

the Council is more likely to award relief if the ratepayer can show that the failure to award the relief will have an impact on its service provision and consequently the Council's ability to achieve its own objectives.

- Whether the organisation has an unnecessarily high level of reserves;

The Council is less likely to award relief to an organisation which has reserves

exceeding one year's expenditure (expenditure includes loan interest and repayments).

For this purpose reserves means cash in hand and at the bank, excluding money designated for major works and ring fenced (i.e. legally restricted) funds. Even where an organisation's reserves do not exceed one year's expenditure, the Council is unlikely to award it relief if it has reserves (defined as above) exceeding £200,000.

### **Applications from Sports Clubs**

The Government has issued guidance (in December 2002) on the award of discretionary rate relief. The guidance includes details on the award of relief to Sports Clubs. The Council has incorporated that guidance into its policy.

Following an application for discretionary rate relief from a Sports Club, in addition to the factors indicated above we will also consider:

- any restrictions on membership that may exist;

the Council is more likely to award relief where no restrictions exist. However it recognises that there may be legitimate restrictions based upon ability or safety factors (for instance a diving club is unlikely to accept someone as a member who cannot swim).

- Whether the organisation encourages greater membership, the development of skills and use by the wider community.
- the cost of membership should not be used as a means to restrict membership.
- whether the organisation actively promotes representation from disadvantaged or under represented groups in the community.
- whether the facilities are available to users other than members, (such as schools or casual use by the public) if appropriate and practicable.
- what proportion of the club's members are active sporting members as opposed to 'social members'.
- whether the club is affiliated to any appropriate national or local sporting organisations or bodies.
- whether the membership of the club is drawn mainly from the Borough of Wellingborough and whether it attracts members from outside the Borough. The cost of the discretionary relief is met in part by the council taxpayers of the Borough. If the membership was drawn mainly from residents of neighbouring authorities, it may be inappropriate for the Council to award discretionary rate relief.

### **Applications for Discretionary Rural Rate Relief**

This relief applies to properties meeting specific criteria, which are in settlements with a population of 3,000 or less, and are within a designated rural area. The settlements are identified in the Rural Settlement List.

Discretionary Rural rate relief is available for post offices and general stores, subject to certain rateable value restriction where they are the only post office or general store in the rural settlement. They will be eligible to apply for 100% rate relief.

### **8. Change of Circumstances**

Any ratepayer who is in receipt of an award who becomes liable for rates on another property during the period of an award shall be required to make a new application for relief on the new property.

### **9. Appeals**

Under the Local Government Finance Act 1992, there is no right of appeal against the Council's use of discretionary powers. However, the Council will accept a ratepayer's request for a re-determination of its decision to be presented to the Corporate Director Resources for further consideration.

Any such request must be:

- in writing; and
- specify the reasons why the ratepayer feels the decision is wrong; and
- be made within four weeks of the ratepayer being notified of the Council's decision.

The Council reserves the right to refuse to hear appeals that do not meet these criteria.

## Appendix 2

Name	Address	Payable by Borough Council	Payable by Central Government	Total Granted
1st Irchester Scout Group	139 Bradshaw Way, Irchester	£52.28	£17.43	£69.71
Action for Children	Surestart House, Penrith Drive	£2,543.40	£847.80	£3,391.20
Animals In Need Northamptonshire	London Road, Little Irchester	£65.00	£21.67	£86.66
Bozeat Playing Fields Association	Harrold Road, Bozeat	£328.52	£109.51	£438.03
D C Leisure Services Ltd	2/10 Thomas Street	£20,311.88	£6,770.63	£27,082.50
Daylight Centre Fellowship	Queens Hall Day Centre	£402.71	£134.24	£536.94
Daylight Centre Fellowship	10 High Street Place	£473.36	£157.79	£631.14
DC Leisure Services Ltd	Barnwell Road	£7,559.55	£2,519.85	£10,079.40
Earls Barton Museum Trust	27 The Square, Earls Barton	£70.65	£23.55	£94.20
Earls Barton Youth Club	50 Harrowick Lane, Earls Barton	£374.45	£124.82	£499.26
Ecton Village Club	78a High Street, Ecton	£250.81	£83.60	£334.41
Finedon Community Sports & Leisure Assoc	71 Wellingborough Road, Finedon	£865.46	£288.49	£1,153.95
Finedon Local History Society	69 High Street (Adj), Finedon	£194.29	£64.76	£259.05
Finedon Town Bowls Club	Wellingborough Road, Finedon	£268.47	£89.49	£357.96
Finedon Youth Club	60 Orchard Road, Finedon	£107.74	£35.91	£143.65
Great Doddington Hall Committee	Church Lane, GreatDoddington	£240.21	£80.07	£320.28
Grendon Sapphires Football Club	40 Yardley Road, Grendon	£254.34	£84.78	£339.12
Homestart	1/3 Dexter's Chambers	£459.23	£153.08	£612.30
Irchester Narrow Gauge Railway Trust	Gipsy Lane, Irchester	£547.54	£182.51	£730.05
Irchester Village Hall Committee	36 School Road, Irchester	£430.97	£143.66	£574.62
Nations Trust	42 Oxford Street	£1,130.40	£376.80	£1,507.20
Nene Valley Citizens Advice Bureau	2b High Street	£649.98	£216.66	£866.64
Northamptonshire Carers	Unit 7 Regent Park	£1,801.58	£600.53	£2,402.10
Phoenix Resource Centre	2 Sanders Close	£724.16	£241.39	£965.55
Pravasi Mandal	65 Elsdon Road	£777.15	£259.05	£1,036.20
Refugee Relief	10 Saxon Court	£830.14	£276.71	£1,106.85
Serve	124 High Street Wollaston	£1,042.09	£347.36	£1,389.45
Service Six	26 Rock Street	£257.87	£85.96	£343.83
Shire Community Services Ltd	1 Orient Way	£1,307.03	£435.68	£1,742.70
Sofawise Furniture Recycling	49/51 Gordon Road	£635.85	£211.95	£847.80
St Johns Ambulance	1A Milner Road, Finedon	£113.04	£37.68	£150.72
St Johns Ambulance	62 High Street, Irchester	£208.42	£69.47	£277.89
St Johns Ambulance Brigade	6 Knox Road	£204.89	£68.30	£273.18
St Johns Ambulance HQ	1A Elizabeth Way, Earls Barton	£642.92	£214.31	£857.22
Stanley Mews Community Trust	11 Stanley Mews	£60.76	£20.25	£81.01
Sywell Aviation Museum	Sywell Aerodrome, Sywell	£293.20	£97.73	£390.93
Sywell Village Hall	33 Sywell Village, Sywell	£72.41	£24.14	£96.55
Teamwork	38a Oxford Street	£2,402.10	£800.70	£3,202.80
The Callistherapy Foundation	18 Oxford Street	£794.81	£264.94	£1,059.75
The Castle (Wellingborough) Ltd	10 Castle Way	£3,391.20	£1,130.40	£4,521.60
The Crazy Hats Appeal	25 Sanders Road	£395.64	£131.88	£527.52
The Hope Project	119 Nest Farm Crescent	£1,077.41	£359.14	£1,436.55
The Hope Project	127 Nest Farm Crescent	£558.14	£186.05	£744.18
The Kingsway Centre	130 Kingsway	£381.51	£127.17	£508.68
The Wollaston Heritage Society	102/104 High Street, Wollaston	£328.52	£109.51	£438.03
Trustees of the Village Hall	52 Main Road, Grendon	£79.48	£26.49	£105.97
Trustees of the Village Hall	15 Rectory Lane, Orlingbury	£335.59	£111.86	£447.45
Victoria Centre	46-50 Palk Road	£1,236.38	£412.13	£1,648.50
Village Hall Committee	83 Main Street, Little Harrowden	£201.35	£67.12	£268.47
Wellingborough & District Talking Newspaper	4a Park Road	£132.47	£44.16	£176.62
Wellingborough & East Northants Womens Aid	31 Sheep Street	£529.88	£176.63	£706.50
Wellingborough & East Northants Womens Aid	31 Sheep Street	£100.67	£33.56	£134.23
Wellingborough and District Hindu Association	69 Melton Road North	£374.45	£124.82	£499.26



Wellingborough and District Hindu Association	148 Highfield Road	£1,925.21	£641.74	£2,566.95
Wellingborough Bowling Club	Hatton Street	£2,455.09	£818.36	£3,273.45
Wellingborough District Scout Council	Croyland Road	£86.54	£28.85	£115.39
Wellingborough District Scout Council	92 Newcomen Road	£77.72	£25.91	£103.62
Wellingborough O G A	46 Oxford Street	£456.23	£1,368.68	£1,824.90
Wellingborough O G A	Sywell Road	£1,516.03	£4,548.09	£6,064.12
Wellingborough RFC	Wilby Lane, Great Doddington	£837.38	£2,512.13	£3,349.50
Wellingborough Youth Project	50 Angel Lane	£621.72	£207.24	£828.96
Winifred Wharton Trust	12 Castle Way	£1,554.30	£518.10	£2,072.40
Wollaston Association of Youth	Wollaston Primary School	£847.80	£282.60	£1,130.40
Wollaston Village Hall	52 High Street, Wollaston	£395.64	£131.88	£527.52
	<b>Totals</b>	<b>£69,645.92</b>	<b>£30,707.65</b>	<b>£100,353.57</b>

