

Report of the Head of Finance

DISCRETIONARY NON-DOMESTIC RATE RELIEF: GLAMIS HALL FOR ALL

1 Purpose of Report

To consider an application for discretionary non-domestic rate relief from Glamis Hall for All, Goldsmith Road, Wellingborough, NN8 3RU.

2 Executive Summary

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

3 Appendices

A – Discretionary rate relief policy.

4 Proposed Action:

The Committee is invited to RESOLVE to award 20% top up discretionary non-domestic rate relief to Glamis Hall for All, Goldsmith Road, Wellingborough, NN8 3RU from 5th January 2015.

5 Background

5.1 Glamis Hall for All is a registered charity (number 1160317) and as the premises is being used for charitable purposes; the organisation automatically qualifies for 80% mandatory relief. This application is for 20% top up discretionary relief.

5.2 Ratepayers can apply for discretionary non-domestic rate relief on their properties provided the ratepayer is a charity or trustees for a charity and the property itself is wholly or mainly used for charitable purposes. The organisation has asked for consideration of the award from 5th January 2015 when they first occupied the property.

5.3 The main objects of the organisation are to further or benefit the residents of the Borough Council of Wellingborough, without distinction of age, disability, sex, sexual orientation, race or of political, religious or other opinions by associating together the said residents and the local authorities, voluntary and other organisations in a common effort to advance education and to provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for the residents.

5.4 The property was previously operated by the Borough Council and is now run as a charity and used as a well-being centre and for occasional hall hire.

5.5 The centre actively encourages membership from the over 50 year old age group for the well-being centre but all members of the community are welcomed. Any monies collected are used to further the aims of the charity.

6 Discussion

6.1 A discretionary rate relief policy was requested by members of the Resources Committee (appendix A) and introduced effective from 1st April 2015.

6.2 Members wanted a policy which would 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.

6.3 The Committee also wanted to have a clear and robust policy in place to protect reliefs awarded and avoid awarding to organisations which would set a precedent if applications were received from other similar bodies.

6.4 The policy allows relief to be awarded at 20% to this size and type of property.

7 Legal Powers

7.1 Section 47 of the Local Government Finance Act 1988 (as amended by Section 69 of the Localism Act 2011) gives the Council the discretionary power to grant relief to non-profit making organisations.

7.2 The Local Government Finance Act 1997 gives the Council the authority to backdate the award of discretionary relief to 5th January 2015.

8 Financial and Value For Money Implications

8.1 The proportion of the relief to be borne by the Council Taxpayers is £109.92

8.2 There is no longer a budget for discretionary rate relief as this was changed as part of the new business rate retention scheme but any cost is funding forgone from rate retention.

9 Risk Analysis

Nature of risk	Consequences if realised	Likelihood of occurrence	Control measures
None			

10 Implications for Resources

None

11 Implications for Stronger and Safer Communities

None

12 Implications for Equalities

None

13 Author and Contact Officer

Richard Watson, Consortium Business Rate Manager

14 Consultees

Nigel Robinson, Revenue Service Manager

15 Background Papers

Application form
Constitution of organisation

Discretionary Rate Relief Policy

The Borough Council of Wellingborough is committed to providing support and relief to charitable organisations in the district whose aims are in line with the objectives of the authority.

With this in mind, this policy:

- 1 will ensure ratepayers are treated in a fair and consistent manner by establishing a framework to ensure applications are determined efficiently.
- 2 will ensure relief is only granted to those organisations which contribute to the Council's objectives.
- 3 will ensure the finances of ratepayers and council tax payers in the area are protected by ensuring awards are only made where they are in the local interest.

This policy relates to the rate relief that the Council has a discretionary power to award under Section 47 (as amended by Section 69 of the Localism Act 2011) and Section 49 of the Local Government Finance Act 1988 and Section 42A & Section 42B of the Local Government & Rating Act 1997 as well as the Local Government and Rating Act 1997 & Rating (Former Agricultural Premises and Rural Shops) Act 2001.

The Council cannot grant discretionary relief in respect of excepted hereditaments (where the Council or another precepting authority would be liable to pay the rates).

The Council can award discretionary relief either as a top-up to mandatory relief awarded to charities or on its own to other not-for-profit organisations, but only where:

- the ratepayer is a charity or trustees for a charity, and the property is wholly or mainly used for charitable purposes.
- the business does not qualify for mandatory relief and where all or part of it is occupied by one or more institutions or other organisations which are not established or conducted for profit, and
- whose aims should be charitable or otherwise philanthropic, or concerned with the promotion of social welfare, education, science, literature or the fine arts, or
- where the property is wholly or mainly used for the purpose of recreation and all or part of the property is occupied for the purpose of a club, society or other organisation not established or conducted for profit.

Who Qualifies for Discretionary Rate Relief

Each application for discretionary rate relief will be considered on its own merits, but for guidance, the following notes will apply:

- 1 The rateable value limit for receiving relief is 18,000 if the organisation is occupying an office, warehouse, store or other type of industrial unit. This is in line with the Government's definition of a small business under small business rate relief legislation. This is the total rateable value for all properties the responsibility of an organisation added together, not just one individual assessment. If an organisation occupies a property or properties whose rateable values add up to over 18,000, no relief will be awarded.
- 2 No relief will be granted to any organisation at a property where the main use of it is as a charity shop or a school.
- 3 National charities with no specific affiliation to the Wellingborough area (apart from staff or volunteers) will not be awarded any discretionary relief.
- 4 Sports clubs that have been registered with the Inland Revenue as community amateur sports clubs will be treated the same way as charities.
- 5 Ratepayers with a bar will not be awarded any discretionary rate relief unless they can demonstrate that the takings are a significant help to the running expenses of the not-for-profit organisation.
- 6 No relief will be awarded to political organisations or companies which operate for private gain

Levels of Relief

If a decision to award relief is made, the following levels will apply:

- 1 Where 80% mandatory rate relief has already been awarded, an award of 20% discretionary rate relief will be made.
- 2 Where no mandatory rate relief has been awarded, an award of 50% discretionary rate relief will be made.
- 3 Where 50% mandatory rate relief has been awarded to a qualifying property in a rural settlement area, an award of 50% discretionary rate relief will be made.

How to Apply

Applications will only be considered where a written application is received on an official form from the ratepayer, or where the ratepayer is an organisation a person properly authorised to make an application on behalf of the organisation.

The application will include a copy of the organisation's memorandum and articles of association, or rules of the association, together with copies of the audited accounts and balance sheets for the last two years.

The Council shall request such any additional supporting evidence as it considers necessary to enable the Council to properly assess the merits of the application.

Ratepayers submitting an application shall set out, as part of the application; the benefits that the ratepayer considers will accrue to the Borough's council taxpayers as a result of the award.

If any of the supporting documentation is not supplied, the application will not be considered for an award.

Discretionary rate relief will not normally be awarded in respect of any day prior to the day that an application is received together with all supporting information. However, in exceptional circumstances consideration may be given to awarding rate relief for a retrospective period where the ratepayer can demonstrate good cause for not submitting the application earlier.

Appeals

Formal appeals regarding discretionary relief are by way of judicial review under Section 138 of the Local Government Finance Act 1988 and must be heard in the High Court.

However, the Council is happy to initially review any decision made. Requests for a review should be submitted to the Council's Resources Committee.

The request for a review should be made in writing, must detail the reasons why the members should reconsider their decision and also include:

- 1 Any additional information relevant to the application that was not available at the time the decision was made.
- 2 A more detailed explanation if there are good grounds to believe the application or supporting Information was not interpreted correctly at the time the decision was taken.