



**Cabinet Member for Resources**  
**25 September 2014**  
**Decision to be taken on or after**  
**3 October 2014**

**Ward: All**

**Key Decision: No**

## **Rate Relief Applications**

### **Report by the Census Head of Revenues & Benefits**

#### **1.0 Summary**

1.1 This report asks the Cabinet Member for Resources to note and approve applications for rate relief to non-domestic ratepayers.

#### **2.0 Background**

2.1 Under the Local Government Finance Act 1988, the Council is

- obliged to give 80% national non-domestic rate (NNDR) relief on any property occupied by a charity;
- obliged to give 80% NNDR relief on any property occupied by a sports club registered with the Inland Revenue as a Community Amateur Sports Club (CASCs) (effective from 1 April 2004);
- has the discretion to give up to a further 20% NNDR relief on property occupied by charities, CASCs, non-profit making organisations and recreational bodies;
- has the discretion to give up to 100% NNDR relief on property occupied by ratepayers suffering hardship if it is in the interests of council taxpayers.

2.2 The Council has an agreed policy for the granting of discretionary rate relief to charities, non-profit making organisations and other recreational bodies under Section 47 of the Act. It is proposed the same criteria is used for the granting of hardship relief to business ratepayers under Section 49 of the Act both of which are reproduced at Annex 1.

#### **3.0 Costs**

3.1 All NNDR monies collected are paid into a central pool, which is redistributed, to district councils on a per capita basis. The costs of the mandatory 80% relief for charities is met from the pool and has no further impact on this Council's finances.

3.2 Any discretionary relief, between 0% and 100%, is the billing authority's decision i.e. Adur District Council, and has a direct cost to the Council, as in the table below:

Body	Relief	Met by Central Pool	Met by district council
Charity/CASCs	a) Mandatory – 80%	100%	-
	b) Discretionary – up to a further 20%	25%	75%
Non-profit making	c) Discretionary – up to 100%	75%	25%
Business ratepayer	d) Hardship – up to 100%	75%	25%

3.3 The budget provision for 2014/15 for the cost of discretionary rate relief to the Council is £26,560. Monies allocated so far = £50,450.96, of which £29,102.16 has been met by the council. This means there has been an overspend of £2542.16.

#### 4.0 Mandatory Relief

4.1 The information in the schedule at Annex 2 gives details of new NNDR accounts where registered charities are in occupation and where 80% mandatory rate relief has been given. This mandatory rate relief is for noting only.

#### 5.0 Discretionary Relief

5.1 Discretionary relief falls into two main categories, a potential 20% for charities and CASCs (to bring their total relief up to 100%) and all other applicants between 0% and 100%.

5.2 Any organisation who in the future attain the status of a CASC would become entitled to mandatory relief of 80% and would then be considered in line with other charities.

5.3 As previously requested by Members, all organisations applying for discretionary rate relief and deemed suitable to register as a CASC were written to in these terms and some guidance notes were also provided.

5.4 The information in the schedule at Annex 2 gives details of new NNDR accounts where registered charities are in occupation, where 80% mandatory rate relief has been given and where up to 20% discretionary rate relief has also been applied for. These applications for up to 20% discretionary rate relief are for the Cabinet Member's determination. Also included are copies of the relevant supporting information provided by applicants.

5.5 The information in the schedule at Annex 3 contains details of non-profit making/recreational organisations where up to 100% discretionary relief has been applied for the period shown. These applications for up to 100% discretionary rate relief are for the Cabinet Member's determination. Also included are copies of the relevant supporting information provided by applicants.

5.6 The amounts shown in the Annexes under the headings for mandatory and discretionary rate relief for 2012/13 are based on the percentage of discretionary relief approved for the previous year, if applicable. The Cabinet Member is requested to determine applications by granting a percentage relief for the current year.

**Please note:** The supporting information from applicants to supplement Annexes 2 and 3 of this report is exempt from publication, as defined in paragraphs 1 and 2 of Part 1, Schedule 12 A, Section 100A(4) of the Local Government Act 1972.

## **6.0 Legal**

6.1 As set out in paragraph 2.0 of the report

## **7.0 Financial implications**

7.1 As set out in paragraph 3.0 of the report

## **8.0 Recommendation**

8.1 The Cabinet Member for Resources is recommended to

- (i) note the accounts which qualify for mandatory rate relief; and
- (ii) determine the level of discretionary rate relief in respect of charitable organisations or CASC as set out in Annexes 2 and 3;

## **Local Government Act 1972**

### **Background Papers:**

None

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## **Schedule of other matters**

### **1.0 Council Priority**

1.1 Matter considered and none identified

### **2.0 Specific Action Plans**

2.1 Matter considered and no issues identified

### **3.0 Sustainability Issues**

3.1 Matter considered and no issues identified

### **4.0 Equality Issues**

4.1 Matter considered and no issues identified

### **5.0 Community Safety Issues (Section 17)**

5.1 Matter considered and no issues identified

### **6.0 Human Rights Issues**

6.1 Matter considered and no issues identified

### **7.0 Reputation**

7.1 Matter considered and no issues identified

### **8.0 Consultations**

8.1 None undertaken

### **9.0 Risk Assessment**

9.1 Matter considered and no issues identified

### **10.0 Health & Safety Issues**

10.1 Matter considered and no issues identified

### **11.0 Procurement Strategy**

11.1 Matter considered and no issues identified

### **12.0 Partnership Working**

12.1 Matter considered and no issues identified

## ADUR DISTRICT COUNCIL

**Criteria for determination as to whether or not to grant discretionary rate relief and if so at what level.**

1. The starting point for discretionary relief will be 0%.
  
2. **Membership:**

a.	Open to all sections of community	+1
b.	Open to all sections of community but subject to a qualifying interest or ability (e.g. football club needs ability to play football)	+1
c.	Membership fee less than £ 2.00 per month	+1
d.	Discounts for registered unemployed or person from family with no wage earner	+1
e.	Membership restricted by area within the district	-1
f.	Membership encouraged from particular groups in the community	+1
g.	Sections of community actively excluded	-1
h.	Membership fee more than £5.00 per month	-1
i.	25% of membership from outside district	-1
j.	50% of membership from outside district	-2
k.	75% of membership from outside district	-5
  
3. **Facilities - funding**

a.	Building paid for by funds raised by Members	+1
b.	Rent paid for by funds raised by Members	+1
c.	Buildings paid for by grants from organisations other than the Council	0
d.	Rent paid for by grants from organisations other than the Council	0
e.	Building paid for by grant from the Council	-1
f.	Rent paid for by grant from the Council	-1
g.	Building provided by the Council	-1
h.	Building on peppercorn rent from the Council	-1
i.	Building owned by another organisation	-2
  
4. **Facilities - usage**

a.	Organisation has sole usage	0
b.	Organisation owns / leases and allows usage by other organisations that could be entitled to discretionary relief	+1
c.	Organisation owns / leases and allows usage by other organisations not entitled to relief	-2
d.	Organisation owns / leases and charges for use by others	-2

5.	<b>Facilities - other</b>	
	a. Organisation runs a bar	-1
	b. Organisation runs a canteen or other income generating facility	-1
	c. Bar available for non-members	-2
6.	<b>Staff</b>	
	a. Employing 2 or more staff	-1
7.	<b>Activity</b>	
	a. Activity is one that indirectly relieves the Council of the need to do so	+1
	b. Activity helps to meet a target in the community strategy	+2
8.	<b>National links</b>	
	a. Linked with national organisation	0
	b. Financial support available from national non-charitable organisation	-2
	c. Supporting development of interest at national level	+1
9.	<b>Additional Criteria</b>	
	a. <b>Voluntary youth organisations –</b>	<b>up to + 15</b>
	b. <b>Voluntary Emergency services –</b>	<b>up to + 20</b>
	c. <b>Organisations that provide specialist medical or palliative services to the residents of Adur and elsewhere –</b>	<b>up to +20</b>
10.	<b>Charity shops</b>	
	a. 90-100% of goods donated	+2
	b. 75-89% of goods donated	+1
	c. 60-74% of goods donated	0
	d. 50-59% of goods donated	-1
	e. Less than 50% then no discretionary relief.	
	f. Shops supporting a West Sussex local charity which provides specialist medical or palliative services to the residents of Adur and elsewhere –	up to +20

How points will equate to percentage relief

- (i) For applicants other than charity shops, that a score of 11 points against the criteria will lead to a 10% relief and this will be reduced by 1% per point under 11
- (ii) For charity shops a score of 2 will equal 10% relief, 1 will equal 5% relief and 0 will equal 2% relief.

**POLICY GUIDELINES RE HARDSHIP RELIEF FROM RATES  
UNDER SECTION 49 OF THE LOCAL GOVERNMENT FINANCE ACT 1988**

- i) Reduction or remission of rates on grounds of hardship will be the exception rather than the rule
- ii) Each case will be considered on its own merits.
- iii) Relief will only be given where a facility is regarded as unique or essential to the local community, where without such a relief would be lost and where no reasonably accessible alternative is available.
- iv) In determining hardship, all relevant factors affecting the ability of a business to meet its liability for rates will be taken into account.
- v) Any decision to grant relief must be in the interest of the council taxpayers of Adur District Council.

**GOOD PRACTICE**

The Housing and Central Services Committee considered a report at its meeting on 25<sup>th</sup> February 2003 which reviewed the criteria previously agreed by Members and which detailed the criteria the Department of the Environment (DoE) considered should be taken into account when considering individual cases for relief.