

MEETING BEING SUBMITTED TO: CABINET November 2015

1. **HEADING** Applications for Discretionary Rate Relief
- Submitted by:** Revenues Manager
- Portfolio:** Finance, IT and Customer
- Ward(s) affected:** All

Purpose of the Report

To consider the granting of Discretionary Rate Relief in accordance with powers under Section 47 of the Local Government Finance Act 1988.

Recommendations

That, in accordance with Section 47 of The Local Government Finance Act 1988, Discretionary Rate Relief is either granted or refused in respect of the organisations and premises detailed in Appendix A of this report.

Reasons

To enable the Borough Council to provide financial assistance to charitable and not for profit organisations occupying business premises within the council area where it is deemed appropriate in accordance with regulations detailed in The Local Government Finance Act 1988.

1. **Background**

Section 47 of The Local Government Finance Act 1988 gives Councils the discretion to grant relief from the payment of business rates for charitable or not for profit organisations or in the case of charities already receiving mandatory charity relief, to grant additional discretion relief.

2. **Issues**

Section 47 of The Local Government Finance Act 1988 enables charitable or not for profit organisations to make application to the Council for consideration of assistance or additional assistance, with the statutory rates liability in respect of the premises they occupy for the furtherance of their activities. The cost of granting the relief is shared in accordance with the Business Rates Retention Scheme local and central share arrangements, which are currently 50% by central government, 40% by the billing authority (Newcastle-under-Lyme Borough Council), 9% by the County Council and 1% by the Fire and Rescue Authority.

The Borough Council grants relief in accordance with the type and nature of an organisation's activity.

3. **Proposal**

That the discretionary relief set out in the attached appendix A be granted or refused as indicated.

4. **Reasons for Preferred Solution**

Legislation enables the Council to provide financial assistance towards the payment of business rates in respect of charitable and not for profit organisations. The roles these organisations carry out contribute to the health, wellbeing and activity of the area, often helping with the creation of opportunities for individuals and groups who would otherwise be unable to access such services. However, there is a cost to granting such relief and the Council needs to be mindful of this when deciding to grant any relief and assess the overall benefit provide in doing so.

5. **Outcomes Linked to Corporate Priorities**

Granting discretionary relief where appropriate fits well with the Council's corporate priorities of Creating a cleaner, safer and sustainable Borough, Creating a Borough of Opportunity and Creating a Healthy and Active Community.

6. **Legal and Statutory Implications**

Section 47 of The Local Government Finance Act 1988 enables the Council to grant discretionary relief for the payment of rates in respect of business premises where it see fit.

7. **Financial and Resource Implications**

The cost of any discretionary relief is split between the national and local rating pools 50% each. The 50% cost to the local pool is then split 40%, 9% and 1% between Newcastle-under-Lyme Borough Council, Staffordshire County Council and the Fire and Rescue Authority respectively. Although the costs of any discretionary relief are shared, the decision to grant the relief or not lies solely with the billing authority.

8. **Major Risks**

Failure to provide assistance to these charitable or not for profit organisations may lead to undue financial pressures being placed upon them, risking their ability to continue with their activities. This could lead to the loss of important work being carried out on behalf of the wider community.

9. **List of Appendices**

Local Government Finance Act 1988 – Applications for Discretionary Rate Relief