

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

COMMUNITY SCRUTINY COMMITTEE – WEDNESDAY,
12 FEBRUARY 2020



Title of Report	REVIEW OF DISCRETIONARY RATE RELIEF POLICY	
Presented by	Councillor Nicholas Rushton Corporate Portfolio Holder	
Background Papers	<u>Cabinet – January 2014 Review of Revenues and Benefits Policies (Non Domestic Rates (NDR) - Discretionary Rate Relief and Hardship Relief - Alignment of Partnership Policies and Guidelines).</u>	Public Report: Yes
		Key Decision: Yes
Financial Implications	<p>Currently the Council awards £162,000 of Discretionary Rates Relief to 104 organisations.</p> <p>The council funds 40% of these awards through the current 50% Business Rates Retention System, with precepting authorities and central government sharing the remaining 60% impact.</p> <p>The level of relief awarded from April 2021 is dependent on re-application of current awardees and new applicants. It is anticipated however, that the total relief awarded will be of a similar value to the value currently awarded under the policy.</p>	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	<p>Ratepayers currently in receipt of Discretionary Rate Relief require a 12 month notice period to any changes to their awards, under Sections 47 and 48 Local Government Finance Act 1988 and the Non-Domestic Rate (Discretionary Rate Relief) Regulations 1989.</p> <p>Ratepayers currently in receipt of relief will be written to in March 2020 and invited to re-apply for Discretionary Relief from April 2021.</p>	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	None.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To seek comments of the Community Scrutiny Committee on proposed changes to the criteria for awarding Discretionary Business Rates Relief in North West Leicestershire.	

Recommendations	THAT THE COMMUNITY SCRUTINY COMMITTEE PROVIDE COMMENTS ON THE DRAFT POLICY BEFORE IT IS PRESENTED TO CABINET FOR APPROVAL
------------------------	--

1. BACKGROUND

- 1.1 Discretionary Rates Relief is a discretionary form of business rates relief that the Council is able to award to certain types of non-profit-making organisations and can be up to 20% if the organisation already receives some form of charitable relief or up to 100% if only discretionary relief is allowed.
- 1.2 Discretionary Relief is often awarded alongside Mandatory Relief. Mandatory Relief is the main source of charitable relief. Both reliefs are awarded upon application and funded through the 50% Business Rate Retention System, with the Council therefore funding its portion of the relief through its share of retained business rates (circa 40%).
- 1.3 Each Local Authority has its own procedures and criteria for awarding Discretionary Relief. The Council's existing Discretionary Rates Relief policy and associated award criteria was last updated in 2014. The existing award criteria lists a mix of organisation type as well as named organisations. There has been some difficulty in utilising the criteria in recent years where new applicants have not fallen in to one of the existing organisation type categories or is of a similar type of organisation to a named organisation on the list but is not themselves listed. Under the current policy, the Council has the ability to award Discretionary Relief on individual merit, with reference to an organisations' demonstrable exceptional circumstances and benefits to the local community and this will be retained in the proposed revised policy.
- 1.6 The proposed new policy is included in Appendix 1. A copy of the existing policy can be found via the link to background papers as set out above.

2. CHANGES TO THE CRITERIA FOR AWARDING DISCRETIONARY RELIEF

- 2.1 The revised policy (set out in Appendix 1) presents a comprehensive and consistent set of guidelines and criteria for awarding relief based on organisation type.
- 2.2 The table at Appendix 2 shows the existing categories (where it has been possible to identify them) the current award and the proposed new awards.
- 2.3 There is one change to the general principles of the current policy now set out in the new guidelines, this is to award Discretionary Relief to ratepayers falling under category 3 ('Charities where members have regular access to licensed bar facilities'). This change has been included on the basis of not penalising sports and social clubs who have not gained Community Amateur Sports Club (CASC) status, taking note of the potential for earnings by having a bar and with reference to the 20% discretionary relief available to all other charities not fitting into the other categories.
- 2.4 Despite there being only one change in designing the new categories of ratepayer in the new policy, a review of ratepayers currently in receipt of Discretionary Relief has identified a small number of organisations whose award is in excess of the award currently given to organisations of the same category and that which would be awarded under the new policy. This is because these applications have been considered in the past with relevance to those organisations' exceptional circumstances and benefits to the local community. The Council will retain the ability to award Discretionary Relief on

individual merit, with reference to an organisations' demonstrable exceptional circumstances and benefits to the local community.

- 2.5 The revised policy will be presented to Cabinet in March for implementation in April 2021. This allows for a full 12 month notice period to organisations currently awarded discretionary relief, whose relief could change (subject to application) and sufficient time for these organisations to apply for the relief from April 2021.
- 2.6 The revised policy will also include a new requirement to review awards every three years. This will involve writing to all ratepayers in receipt of Discretionary Relief, requiring re-application.

Policies and other considerations, as appropriate	
Council Priorities:	Supporting Coalville to be a more vibrant, family-friendly town Support for businesses and helping people into local jobs Developing a clean and green district Local people live in high quality, affordable homes Our communities are safe, healthy and connected
Policy Considerations:	As detailed in the report
Safeguarding:	N/A
Equalities/Diversity:	N/A
Customer Impact:	As detailed in the report
Economic and Social Impact:	As detailed in the report
Environment and Climate Change:	N/A
Consultation/Community Engagement:	As detailed in the report
Risks:	As detailed in the report
Officer Contact	Tracy Bingham Head of Finance tracy.bingham@nwleicestershire.gov.uk