

<b>Title of Report</b>	<b>REVIEW OF DISCRETIONARY RATE RELIEF POLICY AND GUIDLINES</b>	
<b>Presented by</b>	Councillor Nicholas Rushton Corporate Portfolio Holder	
<b>Background Papers</b>	<a href="#"><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></a>	<b>Public Report:</b> Yes/No
		<b>Key Decision:</b> Yes/No
<b>Financial Implications</b>	Currently the Council awards £162,000 of Discretionary Rates Relief to 104 organisations.	
	<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>	
	<b>Signed off by the Section 151 Officer:</b> Yes	
<b>Legal Implications</b>	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.	
	Ratepayers currently in receipt of relief will written to in March 2020 and invited to re-apply for Discretionary Relief from April 2021.	
	<b>Signed off by the Deputy Monitoring Officer:</b> Yes	
<b>Staffing and Corporate Implications</b>	None.	
	<b>Signed off by the Head of Paid Service:</b> Yes	
<b>Purpose of Report</b>	For Cabinet to approve on proposed Discretionary Business Rates Relief Policy.	
<b>Reason for Decision</b>	Cabinet approval of new policy required.	
<b>Recommendations</b>	<b>THAT CABINET APPROVE THE DRAFT POLICY</b>	

## **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 current 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.
- 1.4 The Community Scrutiny Committee considered the draft policy at its meeting on 12 February 2020. Members of the committee were supportive of the policy but were unclear as to the reasons for differentiation in reliefs awarded to Community Amateur Sports Club (CASC's), sports and social clubs and other charitable groups who have access to a bar. Whilst the levels of award are not proposed to be changed (with the exception of an enhancement as outline in 2.2 below) additional information has been added to the award categories featured in Appendix 2 to explain why certain groups receive a prescribed level of relief, with the categories of organisation also streamlined.
- 1.5 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 (Appendix 1) presents a comprehensive and consistent set of guidelines and criteria for awarding relief based on organisation type.
- 2.2 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.
- 2.3 The table at Appendix 2 shows the existing categories (where it has been possible to identify them), the award under the current policy and the proposed award under the new policy. As detailed above, the table has also been updated following feedback from the Community Scrutiny Committee, to explain why certain groups receive a prescribed level of relief and reasons for removing two categories.

- 2.4 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 implemented from April 2021, allowing 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.

<b>Policies and other considerations, as appropriate</b>	
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:	The draft policy at Appendix 1 would replace the existing policy approved in 2014.
Safeguarding:	N/A
Equalities/Diversity:	N/A
Customer Impact:	Organisations currently in receipt of Discretionary Relief will be invited to reapply for relief awarded from April 2021. All ratepayers in receipt of award will be asked to reapply every three years following implementation of this policy.
Economic and Social Impact:	As detailed in the report
Environment and Climate Change:	N/A
Consultation/Community Engagement:	<a href="#">Community Scrutiny Committee 12 February 2020</a>
Risks:	As detailed in the report
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