

|                          |                                   |
|--------------------------|-----------------------------------|
| <b>Report of:</b>        | <b>Head of Finance</b>            |
| <b>Contact Officer:</b>  | <b>Rob Wolfe</b>                  |
| <b>Telephone No:</b>     | <b>01543 464 397</b>              |
| <b>Portfolio Leader:</b> | <b>Leader of the Council</b>      |
| <b>Key Decision:</b>     | <b>No</b>                         |
| <b>Report Track:</b>     | <b>Rate Relief Committee Only</b> |

**RATE RELIEF COMMITTEE**  
**27 JUNE 2013**  
**BUSINESS RATES RELIEF APPLICATIONS**

**1 Purpose of Report**

- 1.1 To consider new applications for Discretionary Relief, including top-up relief from charitable organisations, for the 2012/13 financial year.
- 1.2 To consider new applications for Discretionary Relief, including top-up relief from charitable organisations, for the 2013/14 financial year.
- 1.3 To note the actions of the Head of Finance in approving applications for Mandatory Relief.

**2 Recommendations**

- 2.1 That the applications included at Appendix 2 of this report be considered and determined
- 2.2 That, should members be minded to decline any applications for discretionary relief, reasons for the decision are noted.

**3 Key Issues and Reasons for Recommendation**

- 3.1 Officers will not recommend a rate of discretionary relief to be awarded. Every application should be considered on its own merits and a decision made, by members as to whether relief is to be granted.
- 3.2 Members must have regard for the interests of local Council Tax payers, in determining relief, as a proportion of any discretionary relief will be financed from the General Funds of the District Council and its Major Preceptors. The cost to the Council and Preceptors, of each awarding relief is indicated against each application, appended to this report.

3.3 Whilst there is no formal appeal mechanism, in respect of a decision to award or refuse discretionary relief, members are required to act fairly and consistently in using their discretionary powers. It is therefore recommended that the reasons for any decision to decline a relief application be given.

3.4 By way of guidance, the framework of discretionary reliefs previously awarded is shown in Appendix 1 to this report. Members may wish to have regard to this framework in determining the applications before them.

|   |
|---|
| <b>4 Relationship to Corporate Priorities</b> |
|---|

4.1 This report supports the Council's Corporate Priorities as follows:

- (i) By the provision of rate relief to charitable, sporting, educational and other philanthropic organisations, the People, Place, Prosperity and Transformation Priorities are all supported.

|                        |
|------------------------|
| <b>5 Report Detail</b> |
|------------------------|

5.1 A full summary of the rules governing the application of discretionary rate relief are given at Appendix 1 to this report.

5.2 Appendix 2 to this report includes the detail of each application to be considered by members. The applications are listed below.

|    | <b>Name &amp; Address of Organisation</b>   | <b>Use of Property</b>    | <b>Type of relief(s) sought</b> |
|----|---|---------------------------|---------------------------------|
| 1. | Moorhill Primary School, Pye Green Road & Moorland Road, Cannock                    | Educational establishment | Mandatory only                  |
| 2. | Barnardo's, Unit 2 Chase Gateway, Victoria Street, Hednesford                       | Charity Shops             | Mandatory and Discretionary     |
| 3. | Newlife Trading Ltd, Units 13-14 Beechwood Business Park, Hemlock Way, Hawkes Green | Birth Defects Foundation  | Mandatory and Discretionary     |

## 6 Implications

### 6.1 Financial

A previous report, which reviewed the Discretionary Rate Relief scheme and its approval process in light of the Business Rates Retention scheme effective from 1 April 2013, was considered by Cabinet on 21<sup>st</sup> March 2013. A summary of its recommendations were as follows:

*That the current framework for Discretionary Rate Relief remains in place for 2013-14;*

*That in order to ensure Rate Relief is applied as soon as practically possible the schedule of renewals for 2013-14 as per Appendix 1 (of the March Report) is approved;*

*That the Rate Relief Committee during 2013-14 determine new allocations and refresh the current scheme guidelines; procedures and application and approval process to provide a comprehensive framework for 2014-15;*

*That with effect from 2014-15 the provision of Rate Relief to Charities ; CASC; Non Profit Organisations and Hardship cases are delegated to the Portfolio Holder and Head of Finance;*

*That the granting of any discretionary relief for Wigan Leisure and Culture Trust is delegated to the Culture and Sport Portfolio Holder;*

*That any other form of Rate Relief is determined by Cabinet in accordance with an applicable framework to be drafted by the Economic Development and Planning Portfolio Leader/ Head of Planning and Regeneration and Head of Finance.*

The cost of all Business Rate reliefs are shared amongst the District Council, the County Council, the Fire and Rescue Authority and Central Government, with Cannock Chase District Council funding 40% as a part of the rate retention and sharing rules, effective from 1<sup>st</sup> April 2013.

The 40% share will apply to all reliefs awarded in respect of rate liabilities from 1<sup>st</sup> April 2013 onwards and for any reliefs awarded from 1<sup>st</sup> April 2013 in respect of earlier liabilities.

The cost, to the Council of awarding each application, is contained within the summary detail in Appendix 2.

### 6.2 Legal

- Mandatory Relief for Business Rates is governed by the following the Local Government Finance Act 1988 - Sections 43(5) and (6) and 45(5) and 45(6)

- Discretionary Relief is Governed by Local Government Finance Act 1988 – Sections 44A & 47 and Section 69 of the Localism Act 2011.
- Section 64 of the Local Government Act 2003 provides that from 1st April 2004 clubs registered with the Inland Revenue Sports Club Unit as Community Amateur Sports Clubs (CASCs) are entitled to the same rate relief as charities. CASCs are, therefore, entitled to mandatory rate relief of 80% and the Council has discretion to remit all or part of the remaining 20%.
- Details of the funding arrangements for Business Rates and reliefs are contained in the Non Domestic Rating (Contributions) Regulations 1992, (as amended) and Non Domestic Rating (Rates Retention) Regulations 2013.

**6.3 Human Resources**

There are no direct implications within this report.

**6.4 Section 17 (Crime Prevention)**

There are no direct implications within this report.

**6.5 Human Rights Act**

There are no direct implications within this report.

**6.6 Data Protection**

There are no direct implications within this report.

**6.7 Risk Management**

There are no direct implications within this report.

**6.8 Equality & Diversity**

There are no direct implications within this report.

**6.9 Best Value**

There are no direct implications within this report.

**7 Appendices to the Report**

|            |  |
|------------|--|
| Appendix 1 | Discretionary Relief – Guidance for Members          |
| Appendix 2 | Details of new relief applications to be considered. |

**Previous Consideration**

**None**

**Background Papers**

Supporting information provided by the applicants will be available, at the meeting, if required.