

<b>Report of:</b>	<b>Head of Finance</b>
<b>Contact Officer:</b>	<b>Rob Wolfe</b>
<b>Telephone No:</b>	<b>01543 464397</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**  
**RATE RELIEF FRAMEWORK FROM 2014**

**1 Purpose of Report**

- 1.1 To consider changes to be made to the Council's Business Rate Relief Framework to take effect from 2014.
- 1.2 For members to provide officers with a view as to changes they would wish to consider incorporating into the framework in order that detailed costings can be established and the Council's policy formulated.

**2 Recommendations**

- 2.1 That the contents of this reported be noted.
- 2.2 That officers are required to provide details of the impact of potential changes to be considered.

**3 Key Issues and Reasons for Recommendation**

- 3.1 For many years, the Council has operated the administration of discretionary rate relief, through its Rate Relief Committee.
- 3.2 Applications were considered individually by the Committee, in line with a framework, approved by cabinet.
- 3.3 On 21<sup>st</sup> March 2013 Cabinet resolved that applications for relief for a period after 1<sup>st</sup> April 2014, would be determined by officers, in discussion with the appropriate Portfolio Leader, but based on a framework to be determined by members.

- 3.4 In view of the changes to the administrative arrangements and to the significant changes to the way in which rate relief is now funded, it is appropriate to review the Council's policy and framework, with effect from 1<sup>st</sup> April 2014.
- 3.5 This report seeks an early indication of how members would wish to update the policy and framework in order that a draft policy and framework can be established, for formal adoption, later in the year.

#### **4 Relationship to Corporate Priorities**

- 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.

#### **5 Report Detail**

- 5.1 The current framework has served the Committee well and the majority of applications are awarded at the rate indicated in it. Individual consideration by the committee has, on occasions, resulted in a different rate of relief being awarded.
- 5.2 Individual consideration of the merits of each application is an essential part of any discretionary process and every application will continue to be scrutinised against the new framework. Opportunity exists to incorporate the outcome of previous discussions into the new framework.
- 5.3 The detail below describes those circumstances and offers alternative ways in which they may be incorporated.
- 5.3.1 **Large Organisations.** Members may wish to include a mechanism for restricting the amount of discretionary relief that a single organisation may receive. This could be achieved by:
- Applying a 'cap' to the amount of relief payable in respect of a single property.
  - Applying restrictions to the rateable value of a property, upon which discretionary relief will be granted.
  - Applying a cap to the amount of discretionary relief payable to a single organisation.
  - Restricting the amount of relief available to organisations who hold considerable reserves, or appear to generate a significant revenue surplus.
- 5.3.2 **Provision of Service.** Members may wish to apply criteria as to whether the use of the property is of direct benefit to residents of Cannock Chase area, or serves a wider geographical area.

**5.3.3 Type of Property.** Members may wish to exclude certain types of property from receiving discretionary relief.

**5.3.4 Charity Shops.** Members may wish to apply criteria as to the proportion of use of the property which relates to the selling of donated goods, as opposed to other uses.

**5.3.5 Availability of Other Forms of Assistance.** Where other forms of assistance, or finance, are available to an organisation, Members may wish to require the organisation to pursue those before a discretionary relief application is determined.

#### **5.3.6 Membership of Organisations**

- Members may wish to set criteria to determine that membership of organisations is open to all and is not discriminatory.
- Members may wish to restrict relief awarded to clubs and organisations which pay their members.

**5.4** In approving the policy and framework for 2014, the Council will consider all of the above detail, in respect of non-profit making organisations, in addition to the application other discretions, such as remission on the grounds of hardship and relief for partly occupied properties.

<b>6 Implications</b>
-----------------------

#### **6.1 Financial**

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.

#### **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**

### **Previous Consideration**

**None**

### **Background Papers**

The discretionary relief policies of other local authorities have been considered, in the preparation of this report. Copies of these policies can be obtained on request.