

Neath Port Talbot County Borough Council

Policy and Resources Cabinet Board

7th March 2018

Report of the Head of Financial Services – David Rees

Matter for decision

Wards Affected:

All

Rate Relief for Charities and Non-profit Making Organisations

Purpose of report

1. This report recommends a scheme of rate relief for charities and non-profit making organisations for the period 1st April 2019 to 31st March 2022.

Background

2. The Local Government Finance Act 1988 provides rate relief from rates may be granted as follows:

(a) Mandatory Relief (80%)

Where a property is occupied by a charity and is used wholly or mainly for charitable purposes, and for community amateur sports clubs (as registered with HMRC).

(b) "Top Up" Discretionary Relief (up to 20%)

Where mandatory relief has been granted, an authority has the discretion to grant up to a further 20% relief.

(c) Discretionary Relief (up to 100%)

Where a property is occupied by an organisation which is not established or conducted for profit and whose objects are

charitable, philanthropic, religious, or concerned with education, social welfare, science, literature or fine arts.

(d) Discretionary Relief (up to 100%)

Where a property is occupied by an organisation which is not established or conducted for profit and the property is wholly or mainly used for the purpose of recreation.

3. The cost of mandatory relief is met by the non-domestic rate pool. The cost of discretionary relief is shared between the pool and the local authority, as follows:

“Top up” of Mandatory Relief

25% is met by the pool;
75% is met by the local authority

Other

90% is met by the pool;
10% is met by the local authority

4. The current criteria for granting discretionary relief were agreed at the Cabinet Board meeting of 3rd September 2013.

Criteria for Discretionary Rate Relief

5. The following are the current criteria for discretionary relief:

- (a) that each application be treated on its merits;
- (b) that the following general guidelines are met:

- membership of the organisation must normally be open to all sections of the community, and membership rates must not be set at a level which excludes the general community;

- it is accepted that reasonable restrictions may be placed on membership in relation to, for example, ability in a sport, achievement of a standard in the field covered by the organisation, or where the capacity of the facility is limited;

- favourable consideration will be given to applications from organisations whose objectives are in line with the authority's 'Well Being Objectives';

- top up relief will not normally be granted to charity shops or housing associations;

- top up relief will only be granted to an outreach facility provided by a college in a deprived ward, subject to excluding those wards within the main population centres;

- rate relief will not normally be granted in respect of any area of an organisation's premises which are operated as a licensed bar and ancillary areas (e.g. cellars).

(c) that, having regard to the guidelines at (b) above, the types of organisation listed below in (e), will be granted 20% top up discretionary relief or 100% only relief, as appropriate.

(d) that having regard to the guidelines at (b) above, all other applications be treated on their merits.

(e) the organisations referred to in (c) above are:

- youth organisations (such as youth clubs, scouts and guide groups)
- OAP associations
- Gardening / horticultural societies
- Associations for the mentally handicapped
- Musical / theatrical groups
- Community associations
- Organisations concerned with education and training
- Sporting organisations
- Organisations concerned with voluntary and community services
- Organisations concerned with promoting economic development
- Citizens' Advice Bureaux
- Organisations concerned with better health and well being
- Organisations concerned with the welfare of young people

Comments

6. The current scheme provides financial support to over 250 properties and is operated in line with Welsh Government proposals. However should the Welsh Government scheme change with regards to the 80% mandatory relief or any other relief element, it will require us to reconsider our scheme based on the changes.

Current position in 2017/18 -

- 87 accounts receive discretionary rate relief costing the authority £31,093
- 171 accounts received mandatory and discretionary rates relief costing the authority £182,493.
- Total cost to the authority in 2017/18 is £213,586.

Equality impact assessment

7. There was no requirement for an equality impact assessment in terms of this report as individual organisations will be given the opportunity to apply for business rates relief in line with the criteria set out in the report.

Workforce impacts

8. There will be additional staff resource time required to review all accounts currently in receipt of discretionary rate relief and new applications received. This work will be absorbed within the Non Domestic Rates (NDR) Team

Legal impact

9. There are no legal impacts arising from this report.

Risk management

10. There are no risk management issues arising from this report.

Consultation

11. There is no requirement under the Constitution for external consultation on this item.

Recommendations

12. That the criteria for granting discretionary rate relief as set out in paragraph 5 be approved.

Reason for proposed decision

13. To enable the Council to provide discretionary rates relief to ratepayers from the 1st April 2019 to the 31st March 2022.

Implementation of decision

14. The decision is proposed for implementation after the three day call in period.

Appendices

15. None

List of background papers

16. Local Government Finance Act 1988.

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