



## **NEATH PORT TALBOT COUNTY BOROUGH COUNCIL**

### **CABINET FINANCE SUB COMMITTEE**

**7<sup>th</sup> MARCH 2023**

### **REPORT OF CHIEF FINANCE OFFICER –**

**HUW JONES**

#### **Matter for Decision**

**Wards Affected: All**

#### **Rate Relief for Charities and Non-profit Making Organisations**

#### **Purpose of the Report:**

1. To This report recommends a scheme of rate relief for charities and non-profit making organisations for the period 1st April, 2024 to 31st March, 2029.

#### **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 12<sup>th</sup> May 2021.

**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 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
- Mental Health Associations
- 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
- Organisations concerned with better health and well being
- Organisations concerned with the welfare of young people

## **Financial Impact**

6. The current scheme provides financial support to 290 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 2022/23 i.e. relief already provided to known organisations:

- 81 accounts receive discretionary rate relief costing the authority £35,859.24
- 209 accounts received mandatory and discretionary rates relief costing the authority £189,551.43
- Total cost to the authority is £225,410.67

## **Integrated Impact Assessment**

7. The first stage assessment, attached at Appendix 1, has indicated that a more in-depth assessment is not required.

## **Valley Communities Impacts**

8. No implications.

## **Workforce impacts**

9. All 290 accounts will be required to reapply for the relief which will need to be authorised by the Chief Finance Officer. Staff will need to deal with the associated workload.

## **Legal impact**

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

### **Risk management**

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

### **Consultation**

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

### **Recommendations**

13. That the current scheme of rate relief for charities and non-profit organisations be extended to 31<sup>st</sup> March 2029.

### **Reason for proposed decision**

14. To enable the Council to provide discretionary rates relief to ratepayers to the 31<sup>st</sup> March 2029.

### **Implementation of decision**

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

### **Appendices**

16. Appendix 1 – First Stage Integrated Impact Assessment

### **List of background papers**

17. Local Government Finance Act 1988.

### **Officer contact**

18. Mrs Ann Hinder- Principal Council Tax Officer  
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Mr Huw Jones – Head of Finance  
E-mail: [h.jones@npt.gov.uk](mailto:h.jones@npt.gov.uk)

**Impact Assessment - First Stage**

## 1. Details of the initiative

<b>Initiative description and summary:</b> To Approve The NNDR Discretionary Relief Scheme - 01.04.24 to 31.03.2029
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<b>Service Area:</b> Revenues
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<b>Directorate:</b> Chief Executives
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## 2. Does the initiative affect:

	Yes	No
Service users		√
Staff		√
Wider community	√	
Internal administrative process only		√

## 3. Does the initiative impact on people because of their:

	Yes	No	None/ Negligible	Don't Know	Impact H/M/L	Reasons for your decision (including evidence)/How might it impact?
Age		√				
Disability		√				
Gender Reassignment		√				
Marriage/Civil Partnership		√				
Pregnancy/Maternity		√				
Race		√				
Religion/Belief		√				
Sex		√				
Sexual orientation		√				

## 4. Does the initiative impact on:

	Yes	No	None/ Negligible	Don't know	Impact H/M/L	Reasons for your decision (including evidence used) / How might it impact?
People's opportunities to use the Welsh language		√				
Treating the Welsh language no less favourably than English		√				

## 5. Does the initiative impact on biodiversity:

	Yes	No	None/ Negligible	Don't know	Impact H/M/L	Reasons for your decision (including evidence) / How might it impact?
To maintain and enhance biodiversity		√				
To promote the resilience of ecosystems, i.e. supporting		√				



protection of the wider environment, such as air quality, flood alleviation, etc.						
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6. Does the initiative embrace the sustainable development principle (5 ways of working):

	Yes	No	Details
<b>Long term</b> - how the initiative supports the long term well-being of people	✓		Will support organisations that provide services to the public as outlined in the report.
<b>Integration</b> - how the initiative impacts upon our wellbeing objectives	✓		Will support organisations that provide services to the public as outlined in the report.
<b>Involvement</b> - how people have been involved in developing the initiative			N/A
<b>Collaboration</b> - how we have worked with other services/organisations to find shared sustainable solutions			N/A
<b>Prevention</b> - how the initiative will prevent problems occurring or getting worse			N/A

**7. Declaration - based on above assessment (tick as appropriate):**

A full impact assessment (second stage) <b>is not</b> required	✓
Reasons for this conclusion	
A full impact assessment is not required as this relates to the implementation of a scheme as prescribed by the 1988 Local Government Finance Act.	
A full impact assessment (second stage) <b>is</b> required	
Reasons for this conclusion	

	Name	Position	Date
Completed by	Ann Hinder	Principal Council Tax Officer	11/01/2023
Signed off by	Huw Jones	Chief Finance Officer	11/01/2023