

Report of	Meeting	Date
Director of Customer & Digital (introduced by the Executive Member for Customer Advice and Streetscene Services)	Executive Member Decision	20.12.2019

## DISCRETIONARY RATE RELIEF 2019/2020

### PURPOSE OF REPORT

- To determine current applications for Discretionary Rate Relief to be awarded in 2019/2020.

### RECOMMENDATION(S)

- It is recommended that approval be given to award Discretionary Rate Relief of 100% of the application value to the organisations listed in Appendix 1.

### EXECUTIVE SUMMARY OF REPORT

- The Local Government Finance Act (LGFA) 1988, and subsequent legislation, enables local authorities to grant mandatory relief where applicable, and gives the power to grant discretionary relief, subject to certain criteria being met. Any relief granted is met by council taxpayers therefore priority is given to organisations that provide services that specifically benefit the local community or promote economic growth. Rate retention now means that the Council needs to take a stringent approach when considering awarding relief.
- The Council's current Discretionary Rate Relief (DRR) policy allows relief to be granted to an organisation or business that is run as a village hall, leisure centre or community centre and is managed by a voluntary management committee.
- Where the organisation is a registered charity, and receives 80% mandatory relief, we can award discretionary rate relief in respect of their remaining 20% liability. For any other qualifying organisation, we can award 100% discretionary rate relief. All applications are from organisations receiving mandatory relief of 80% and are therefore in respect of 'top up' relief of 20% of their net liability.

<b>Confidential report</b> Please bold as appropriate	Yes	<b>No</b>
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<b>Key Decision?</b> Please bold as appropriate	Yes	<b>No</b>
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### REASONS FOR RECOMMENDATION(S)

#### (If the recommendations are accepted)

- The applicants listed in the Appendix fulfil the criteria set down in the current Discretionary Rate Relief policy necessary to be eligible for this relief and play a vital role in the wellbeing of local communities, particularly in rural areas. The organisations are run by dedicated groups of volunteers and provide facilities for social, recreational and cultural activity. The

applicants include organisations that are not occupying either a village hall or community centres but have shown that the facilities are open to the whole community. Both scouting premises are available for hire and are used by all ages for a wide range of activities.

## ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

7. None

## CORPORATE PRIORITIES

8. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all		A strong local economy	
Clean, safe and healthy homes and communities		An ambitious council that does more to meet the needs of residents and the local area	Y

## BACKGROUND

9. The Local Government Finance Act (LGFA) 1988, and subsequent legislation, makes provision for local authorities to grant mandatory relief of 80% for premises occupied by charities and similar organisations that own or occupy them wholly or mainly for charitable purposes. Section 47 of the LGFA, as amended by clause 69 of the Localism Act 2011, also gives the Council the discretionary power to grant rate relief on all or part of the remaining 20%, where the authority feels the granting of relief would be of benefit to the local community, and to fund their own local discounts.
10. Discretionary Rate Relief granted by Chorley Council is paid for by the council taxpayers therefore the Council has a duty to ensure that public funds are spent wisely. In deciding whether to grant discretionary relief, the Council looks at the contribution that the organisation makes to the area. Consideration is given to whether the services provided replace, enhance or supplement current Council provision and priority is given to those organisations that provide services that specifically benefit the local community, or promote economic growth.
11. Changes to local government finance now mean that the income from business rates more directly impacts on the Council's financial position. As part of the central government funding process for local authorities, councils (district, county and fire authority) now retain 75% of all business rates income collected. Under the previous scheme, business rates income was paid into the government's central pool and redistributed back out to local authorities based on a formula grant. The Council now needs to take a very stringent approach to any discounts that are awarded ensuring that where possible wider, resultant cost benefits are realised for Chorley residents.

## COST TO CHORLEY COUNCIL OF THE APPLICATIONS

12. Prior to 1<sup>st</sup> April 2013, any discretionary relief awarded was funded in part through the council's General Fund. This changed following the introduction of business rate retention, and the cost of awarding discretionary rate relief from 1<sup>st</sup> April 2019 is now split between Central Government (25%), the County Council (17.5%), Fire Service (1.5%), and Chorley Council (56%).
13. LCC and the Fire Service have been consulted on awarding relief to these applicants. supports the recommendation and acknowledge the cost to them of £2,288.42. The Fire Service did not respond.

14. If we were to grant full relief the total award proposed in this report is £13,076.65 with the cost to the Council's General Fund of £7,322.92.

### IMPLICATIONS OF REPORT

15. This report has implications in the following areas and the relevant Director's comments are included.

Finance	✓	Customer Services	
Human Resources		Equality and Diversity	
Legal	✓	Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

### COMMENTS OF THE STATUTORY FINANCE OFFICER

16. In preparing the NNDR1 return for 2019/20, discretionary relief for charitable occupation of £13,081 was assumed. This was taken into account in calculating the council's retained business rates income budget for 2019/20. The reliefs in the Appendix, which are recommended for approval are the same ones for which the council has budget provision. There are no resource implications arising from the approval of these reliefs.

### COMMENTS OF THE MONITORING OFFICER

17. This is a reasonable use of the discretionary power and the reliefs sought can be granted as recommended.

### COMMENTS OF THE STATUTORY FINANCE OFFICER

GARY HALL  
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Glennis Brotherton	5819	22.11.2019	Discretionary Rate Relief Report

Following careful consideration and assessment of the contents of this report, I approve the recommendation contained in Paragraph 2 of the report in accordance with my delegated power to make executive decisions.



Dated 03.01.20

**Councillor Peter Wilson**  
**Executive Member (Resources)**