

Report of	Meeting	Date
Director of Customer & Digital (introduced by the Executive Member for Customer Advice and Streetscene Services)	Executive Member Decision	19.01.2018

DISCRETIONARY RATE RELIEF 2017/2018

PURPOSE OF REPORT

- To determine current applications for Discretionary Rate Relief to be awarded in 2017/2018.

RECOMMENDATION(S)

- It is recommended that approval be given to award Discretionary Rate Relief of 100% of the application value to the organisations listed at Appendix A and that the application for the organisation listed at Appendix B is refused.

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 Tax payers 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.

Confidential report Please bold as appropriate	Yes	No
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Key Decision? Please bold as appropriate	Yes	No
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Reason Please bold as appropriate	1, a change in service provision that impacts upon the service revenue budget by	2, a contract worth £100,000 or more
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	£100,000 or more	
	3, a new or unprogrammed capital scheme of £100,000 or more	4, Significant impact in environmental, social or physical terms in two or more wards

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

6. The applicants listed in Appendix A 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.
7. The applicant listed at Appendix B has stated in their application that they are open to the whole of the community and on that basis we could consider them to be classed as a village hall or community centre. However, while we accept that the organisation is run by volunteers and plays an important role in the community, the property is currently used solely for scout based activities and therefore the property's use is restricted and not felt to be open to the wider community.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

8. None

CORPORATE PRIORITIES

9. 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 communities		An ambitious council that does more to meet the needs of residents and the local area	Y

BACKGROUND

10. 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.
11. Discretionary Rate Relief granted by Chorley Council is paid for by the Council Tax payers 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.
12. 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 50% 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.

13. Applications fall into two categories. Fourteen applications are from organisations that have previously been awarded this relief, see Appendix A, and one application is from an organisation that has not previously applied under the current policy, see Appendix B. The organisation concerned is Adlington Scout Group who host a number of activities at the property.
- 14.

COST TO CHORLEY COUNCIL OF THE APPLICATIONS

15. Prior to 1st 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 is now split between Central Government (50%), the County Council (9%), Fire Service (1%), and Chorley Council (40%).
16. The total for the application is £12,987.09. If we were to grant full relief the total award proposed in this report would therefore cost this council's General Fund £5,194.83.

IMPLICATIONS OF REPORT

17. This report has implications in the following areas and the relevant Directors' 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

18. The £12,987.09 discretionary relief to organisations listed in Appendix A is a little higher than the figure of £12,197 included in the council's NNDR1 return for 2017/18. In effect the NNDR1 figure is the budget for discretionary charitable relief. The cost to this council of the increase is only £316, and will be taken into account in the NNDR income budget for 2018/19.

COMMENTS OF THE MONITORING OFFICER

19. As stated within the report the Council have a discretion to award additional relief against NNDR where it is felt the building is occupied by a charity but is also available for the benefit of the wider local community. The report indicates that this test has been applied and proposes an appropriate use of the discretion.

GARY HALL
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Glennis Brotherton	5819	19.01.2018	Discretionary Rate Relief Report

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



Dated 27.3.18

Councillor Peter Wilson
Executive Member (Resources)

Glennis
 Brotherton

