
REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 8
DATE OF MEETING:	25 JULY, 2002	CATEGORY: DELEGATED
REPORT FROM:	CHIEF FINANCE OFFICER	OPEN
MEMBERS' CONTACT POINT:	CHRIS SWAIN (595812)	DOC: s:\cent_serv\committee reports\finance and management\25 july 2002\discret rate relief.doc
SUBJECT:	DISCRETIONARY RATE RELIEF, RURAL RATE RELIEF AND HARDSHIP RELIEF	REF: CJS/JHM
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM08

1.0 Recommendations

- 1.1 The Committee's instructions are requested on the format of dealing with applications for discretionary rate relief.
- 1.2 The Committee is requested to approve the criteria to be taken into account when considering applications for discretionary relief and delegate the granting of relief in those cases to the Chief Finance Officer.
- 1.3 The Committee is requested to approve the introduction of an appeal mechanism. All appeals against a decision to reject or restrict the award of discretionary rate relief, Rural Rate Relief and Hardship Relief (whether under the delegated scheme for discretionary rate relief or decisions on all reliefs by Members of this Committee) be considered by the Licensing and Appeals Committee.

2.0 Purpose of Report

- 2.1 Members requested that research be carried out to ascertain what strategies other authorities have with regard to dealing with applications from charitable organisations.
- 2.2 A number of authorities have been contacted and details have been obtained. In May, 2002, the Department of Transport, Local Government and the Regions issued Guidance on Rate Relief for Charities and Other Non-profit Making Organisation.

3.0 Content

- 3.1 The main provisions conferring the discretionary power on billing authorities to grant rate relief are contained in section 47 of the Local Government Finance Act, 1988.

Authorities have discretion to grant relief from all, or part, of the amount of non-domestic rate payable.

- 3.2 Billing authorities should first consider whether an institution or organisation applying for rate relief is eligible for mandatory relief. Generally, properties used wholly or mainly for charitable purposes are eligible for 80% mandatory relief. This relief can be topped up to 100% at the discretion of the local authority.
- 3.3 Where mandatory relief is not available, authorities can consider the award of discretionary rate relief. Authorities have discretion to grant up to 100% to certain non-profit making bodies.
- 3.5 **Annexe 'A'** provides general guidance to authorities on the need to keep ratepayers informed about their decisions on applications for discretionary rate relief. This includes procedures, acknowledgements, notifications to successful and unsuccessful applications, and the right of appeal against a decision to reject or restrict the award of discretionary rate relief, rural rate relief or hardship relief.
- 3.6 At the request of Members, details of the schemes operated by other authorities have been obtained. These vary somewhat, but a suggested scheme, made up from components from other schemes, is submitted at **Annexe 'B'**. *Members may wish to amend or confirm the contents of the scheme.*
- 3.7 The terms of the legislation do not allow for a scheme to be put in place for rural rate relief and hardship applications as each case has to be considered on its merits.
- 3.8 The mechanics of the procedure are as follows:
 - The application form for discretionary rate relief will be redesigned to collect the information required to enable decisions to be taken in accordance with the scheme.
 - Report of delegated decisions to be submitted to the Finance and Management Committee.
 - Appeals from delegated powers or Committee decisions (for cases not covered by the scheme, for rural rate relief cases and for hardship relief cases) to be made within 14 days of the notification of the decision.
 - Appeals to be on specific points i.e. those that are outlined in the decision to reject or restrict the award.
 - All appeals to be submitted to the Licensing and Appeals Committee.
- 3.9 All existing discretionary claims will be reviewed. The legislation provides that notice must be served in a financial year to have effect at the end of the following financial year. Therefore, notice will be served this financial year and new applications invited with effect from 1 April, 2004.

4.0 Staffing Implications

- 4.1 none

5.0 Financial Implications

5.1 The funding of such relief is as follows:

	<u>Non-Domestic Rate Pool</u>	<u>General Fund</u>
Mandatory Relief	100%	Nil
Additional Discretionary Relief for mandatory cases	25%	75%
Discretionary Relief	75%	25%
Rural Rate Relief (discretionary)	75%	25%
Hardship Relief	75%	25%

5.2 The budget figures are as follows:

2001/02	Budget	£5,000
2001/02	Actual	£4,898
2002/03	Budget	£5,130

6.0 Background Papers

Non-Domestic Rates – Guidance on Rate relief
DTLR – May, 2002

Details of the granting of Rate Relief
Various local authorities - 2002

