
DISCRETIONARY RATE RELIEF 2004/2005

**Responsible Cabinet Member(s) - Councillor Don Bristow,
Resource Management Portfolio**

Responsible Director(s) - Paul Wildsmith, Director of Corporate Services

Purpose of Report

1. Two applications in respect of discretionary rate relief have been received from various charitable and non profit making organisations, details of which are shown in the report.

Background Information and Criteria

2. Discretionary Rate Relief (DRR) is an optional power Local Authorities have under section 47 of the Local Government Finance Act 1988 to assist charitable and other non profit making organisations to reduce their liability in respect of business rates.
3. Charitable organisations are eligible to receive 80% mandatory rate relief which is 100% grant aided through the national non domestic rates pool (NNDR). In addition, discretionary rate relief of up to a further 20% can be awarded to these organisations, of which 25% is grant aided through the non domestic rates pool, with the balance of 75% being chargeable to this Council's revenue budget.
4. Other non profit making organisations which do not have charitable aims e.g. clubs, societies or other organisations and are for the purposes of recreation, literature or fine arts can apply for discretionary rate relief of up to 100% of the overall total rates liability, 75% of this cost is offset against payments into the national non domestic rates pool and the remaining 25% being chargeable to this Council's revenue budget.
5. For all types of Discretionary Rate Relief there is a 2004/05 budget provision of £23,000.
6. Historically over a number of years a pattern has emerged whereby the Council has awarded the following to charitable and non profit making organisations :-
 - (a) Discretionary rate relief of 20% has been awarded where an organisation receives 80% mandatory rate relief.
 - (b) Discretionary rate relief of 50% has been awarded where an organisation is not in receipt of mandatory rate relief and do not have a drinks licence for their premises.
 - (c) Discretionary rate relief of usually 10% has been awarded where an organisation is not in receipt of mandatory rate relief but where they have a drinks licence for their

premises.

Information and Analysis

7. **Schedule 1** attached shows an application for Discretionary Rate Relief from an organisation who receives mandatory rate relief of 80% because of its charitable status. This organisation has received an additional 20% discretionary rate relief granted by this Council in previous years. The Cabinet is asked to consider whether it wishes to support this application detailed in this schedule, and if so, to what extent.
8. **Schedule 2** attached shows an application for Discretionary Rate Relief from a Sports Club who previously received Discretionary Rate Relief of 50% because of its charitable status. This organisation is not in receipt of mandatory relief. The Cabinet is asked to consider whether it wishes to support this application detailed in this schedule, and if so, to what extent.

Summary

9. A summary outlining the financial implications relating to the applications in this report for discretionary rate relief in 2004/05 and 2005/6 together with summary details of applications approved previously are highlighted in the table below.

		Amounts Due or Committed	Proportion borne locally by Council Tax payers
		£	£
(a)	Schedule 1 – Applications for Discretionary Rate Relief (DRR) from organisations who have previously received DRR and who are already in receipt of 80% mandatory rate relief on their premises.	665.76	499.32
(b)	Schedule 2 – Applications for Discretionary Rate Relief (DRR) from a Sports Club who have previously received DRR of 50% on their premises and who do not receive mandatory rate relief.	1,664.40	416.10
(b)	Applications committed relating to 2004/05 already approved in this financial year.	28,149.06	19,921.65
(c)	Applications committed relating to 2004/05 already approved in the previous financial year.	24,478.58	16,771.04
(d)	Approved Budget 2004/05		(23,000.00)
			(14,608.11)

10. If all requests are approved as shown above, there will be an overspend of £14,608.11 in 2004/05 that will need to be accommodated from other corporate budgets.

Outcome of Consultation

11. No consultation is taken on these items as a decision is made by Members.

Legal Implications

12. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers needs to be brought to the specific attention of Members, other than those highlighted in the report.

Section 17 of the Crime and Disorder Act 1998

13. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

Council Policy Framework

14. There are no issues contained within this report which represent significant Council policy or a change in the Authority's agreed policy framework.

Decision Deadline

15. For the purposes of the Scrutiny Committee's 'call in' procedure, the issues under consideration are not defined as urgent.

Recommendation

16. The instructions of Members are requested on schedules 1 and 2.

Paul Wildsmith
Director of Corporate Services

Background Papers

Application forms and a copy of the latest accounts.

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PB

DISCRETIONARY RATE RELIEF 2004/2005 AND 2005/2006

SCHEDULE OF FINANCIAL INFORMATION

SCHEDULE 1

	Financial Results For Latest Year				100% Rate Liability	80% Mandatory Relief	20% Assumed Amount Due	Percentage D.R.R. Assumed 2004/05/06	Premises
	Total Income	Total Expenditure	Surplus/ (Deficit)	Cash Balances					
	YOUTH & COMMUNITY ASSOCIATIONS, VILLAGE HALLS AND OTHER CHARITABLE ORGANISATIONS								
1 Branksome Community Association – 6000096428	28,182	24,419	3,763	5,465	3,328.80	2,663.04	665.76	20	Egglestone View, Branksome, Darlington
TOTAL							665.76		

DISCRETIONARY RATE RELIEF 2004/2005 AND 2005/2006

SCHEDULE OF FINANCIAL INFORMATION

SCHEDULE 2

	Financial Results For Latest Year				100% Rate Liability	Mandatory Relief	50% Assumed Amount Due	Percentage D.R.R. Assumed 2004/05/06	Premises
	Total Income	Total Expenditure	Surplus/ (Deficit)	Cash Balances					
	1 Darlington Squash Club – 6000045787-3	13,234	9,154	4,080					
TOTAL							1,664.40		