

	<p style="text-align: center;">Executive 11th December 2006</p> <p style="text-align: center;">Report from the Director of Finance and Corporate Resources</p>
For Action	Wards Affected: ALL
National Non-Domestic Rate Relief and Hardship Relief	

Forward Plan Ref: F&CR-06/07-11

Not for publication

Appendix 9 of this report is not for publication as it contains the following category of exempt information as specified in paragraph 3 of schedule 12A of the Local Government Act 1972: “information relating to the finances or business affairs of any particular person (including the authority holding that information)”.

1.0 Summary

- 1.1 The Council has the discretion to award rate relief to charities or non-profit making bodies. It also has the discretion to remit an individual National Non-Domestic Rate liability in whole or in part on the grounds of hardship.
- 1.2 This report includes all the applications received from 1st April 2006.

2.0 Recommendations

- 2.1 Members are requested to consider these applications and decide how much, if any, discretionary or hardship relief is to be granted in 2006/07.
- 2.2 To agree that a review of criteria and Categorisation of Organisations will be undertaken and considered by the Executive before any applications for discretionary relief are agreed for 2007/08.

3.0 Details

- 3.1 Details of the Council's discretion to grant rate relief to Charities, registered community amateur sports clubs and non-profit making organisations are contained in the Financial and Legal Implications sections.

- 3.2 Appendix 2 lists the Council's categorisations of organisations and charities.
- 3.2 Appendix 3 lists applications from local charities and the new applications are highlighted.
- 3.3 Appendix 4 lists applications from non-profit making organisations.
- 3.4 Appendix 5 lists applications from charities that are not local to the London Borough of Brent and the new applications are highlighted.
- 3.5 Appendix 6 lists applications from Community Amateur Sports Clubs.
- 3.6 Appendix 7 lists applications from Voluntary-aided schools.
- 3.7 Appendix 8 lists applications from Foundation schools.
- 3.8 Appendix 9 lists applications for hardship relief.
- 3.9 It is the intention to review the Council's criteria for awarding discretionary rate relief, given the time the current regime has been in place, in the new financial year. It will focus on ensuring it is consistent with corporate policies and relief is directed to those organisations providing a recognised valued service to the residents of Brent. This will be brought back to the Executive prior to any decisions on relief being made in 2007/08.
- 3.10 Charities and registered community amateur sports clubs are entitled to 80% mandatory rate relief and the council has discretion to grant additional relief up to the 100% maximum. Non-profit making organisations do not receive any mandatory relief, but the Council has the discretion to grant rate relief up to the 100% maximum.
- 3.11 When considering applications under section 49 of the Local Government Act 1988 for relief on the grounds of hardship, members need to consider whether hardship will be caused if the payments due are not reduced or remitted and, if so, whether it would be reasonable to reduce or remit liability having regard to the interests of its Council Tax payers, as indirectly they will be funding 25% of any relief granted.
- 3.12 Local authorities tend to use this power very sparingly. If relief under this section was readily granted this could place an unreasonable burden on council tax payers and a precedent would be set which could lead to a flood of applications, many of which could be from ratepayers seeking to delay payment, rather than genuine hardship cases.
- 3.13 There is no definition of the meaning of hardship in this context. Guidance indicates that all circumstances, not just financial circumstances, should be taken into account in considering whether payment would cause hardship. So, for example, illness, injury or old age may be relevant in determining whether hardship will be suffered by a taxpayer who is a private individual.

- 3.14 Members may wish to consider a policy of only granting hardship relief in exceptional circumstances, for example severe illness, injury, old age, or other personal circumstances, rather than on financial circumstances only.
- 3.15 If rates are unpaid, the normal course of recovery is by distraint by bailiffs. If this proves unsuccessful and the ratepayer is an individual, then the Council can apply for the individual's committal to prison. At the committal hearing, the Court must hold a full means enquiry. The Court does have the power to remit the rate, and can only issue a prison sentence if non-payment is due to wilful refusal or culpable neglect.
- 3.16 At the end of each financial year, a return from the ODPM is completed to calculate the final contribution that the Council is to make to the National Pool. An element of write offs for debts that are deemed to be irrecoverable is allowed to be deducted from the overall payment, provided it is approved by the external auditor. There will be no cost to the Council in this.

4.0 Financial Implications

4.1 Discretionary Rate Relief

- 4.1.1 Charities and registered community amateur sports clubs receive 80% mandatory relief, for which there is no cost to the Council. The Council has the discretion to grant additional relief up to the 100% maximum, but has to bear 75% of the cost of this from the Discretionary Relief Budget.
- 4.1.2 The cost of granting Discretionary relief to Voluntary Aided schools listed at Appendix 7 is borne by the Council from the Discretionary Relief Budget.
- 4.1.3 Foundation Schools within the Borough, which are listed at Appendix 8 are registered charities and as such receive 80% mandatory relief. The cost of granting the remaining 20% Discretionary relief is shared between the ODPM and the Council in the ratio of 25% and 75%. The Council's cost of granting this top up relief is withheld from the individual schools budget and detailed at Appendix 8.
- 4.1.4 Non-profit making organisations do not receive any mandatory relief, but the Council has the discretion to grant rate relief up to the 100% maximum. The Council has to bear 25% of the cost of any relief granted.
- 4.1.5 The budget available for this discretionary spending for 2006/07 is £130,000.00.
- 4.1.6 For the last 8 years, the Council has followed a general guideline of granting 100% of the discretionary element to local charities and 25% of the discretionary element to non-local charities. It has also granted 25% of the whole amount requested (which is entirely discretionary) to non-profit making organisations. If the same guideline is followed in respect of the applications contained within this report, the amount of discretionary spend would be £118,720. There are not likely to be many further applications for Discretionary relief made during the course of the year.

- 4.1.7 Any applications for relief granted under the Hardship provisions would also be required to be contained within this budget.
- 4.1.8 New applications for discretionary rate relief have been highlighted for ease of reference. All other applications have previously been agreed at previous committees and are renewal applications only.

4.2 Hardship Rate Relief

- 4.2.1 The Council bears 25% of the cost of any hardship relief granted. The remaining 75% is offset against the National Pool.
- 4.2.2 There is no specific budget head for hardship relief. The cost of any relief granted would have to be met from the budget for discretionary charity relief within the Local Taxation budget. In the past, hardship applications have generally been rejected, to avoid encouraging non-payers submitting applications as a means of delaying or avoiding payment (see para 6.3. below).

5.0 Staffing Implications

- 5.1 None

6.0 Legal Implications

6.1 Discretionary Rate Relief

- 6.1.1 Under the Local Government Finance Act 1988, charities are only liable to pay one fifth of the NNDR that would otherwise be payable where property is used wholly or mainly for charitable purposes. This amounts to a mandatory relief of 80%. For the purposes of the Act, a charity is an organisation or trust established for charitable purposes, whether or not it is registered with the Charity Commission. Under the Local Government Act 2003, registered Community Amateur Sports Clubs also now qualify for mandatory relief of 80%.
- 6.1.2 The Council has discretion to grant relief of up to 100% of the amount otherwise due to charities, Community Amateur Sports Clubs, and non-profit making organisations meeting criteria set out in the legislation. These criteria cover those whose objects are concerned with philanthropy, religion, education, social welfare, science, literature, the fine arts, or recreation. Guidance has been issued in respect of the exercise of this discretion and authorities are advised to have readily understood policies for deciding whether or not to grant relief and for determining the amount of relief.

6.2 Hardship Rate Relief

- 6.2.1 Under Section 49 of the Local Government Finance Act 1988, the Council can reduce or remit any amount a person is liable to pay by way of NNDR, if it is satisfied that the ratepayer would otherwise sustain hardship and if it is reasonable to do so having regard to the interests of Council Tax payers. Council Tax payers are affected by decisions under this section because 25% of the cost of exercising this power has to be funded by the Council.
- 6.2.2 Case law relating to similar provision in earlier legislation indicates that this discretion should be exercised on the basis of adequate financial information from applicants for relief to enable the Council to assess the capacity of the ratepayer to pay the amounts due.
- 6.2.3 Government guidance indicates that exercise of discretion in favour of a ratepayer should be exceptional and identifies a number of factors to be taken into consideration in exercising this discretion. The guidance also states that while it would not be proper for the authority to have a blanket policy, as all applicants should be considered on their merits, rules may be adopted for the consideration of hardship issues.

7.0 Diversity Implications

- 7.1 Applications have been received from a wide variety of diverse charities and organizations, so there is likely to be diversity implications. An Impact Needs Analysis Requirement Assessment (INRA) has recently been carried out. All ratepayers receive information with the annual rate bill informing them of the availability of discretionary and hardship rate relief. Ratepayers who have previously applied for relief are sent annual discretionary application forms. Details of all the applicants are shown in the Appendices.

8.0 Background Information

- 8.1 As attached.

9.0 Contact Officers

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CRITERIA AND ISSUES TO CONSIDER FOR APPLICATIONS FOR NNDR DISCRETIONARY RELIEF FROM NON –PROFIT MAKING ORGANISATIONS

These criteria and issues to consider are taken into account in so far as they are relevant to the organisation under consideration.

1. Access to Clubs

- 1.1. Membership should be open to all sections of the community. In general, membership should not be exclusive or restrictive.
- 1.2. Membership rates should not be set at such a high level as to exclude the general community. In general, the club or organisation needs to show that the criteria by which it considers applications for membership are consistent with the principle of open access.
- 1.3. The organisation should actively encourage membership from groups in the community which are under represented in the field covered by the organisation or are disadvantaged e.g. young people, women, older age groups, persons with disability, ethnic minorities.

2. Provision of Facilities

- 2.1. The organisation should provide training or education for its members. There should be schemes for particular groups to develop their skills.
- 2.2. Have the facilities been provided by self-help or grant aid? Use of self-help and / or grant aid is an indicator that the club is more deserving of relief.
- 2.3. Does the organisation run a bar? The existence of a bar is not in itself a reason for not granting relief, but is an indicator as to whether the main purpose of the club is sporting or social activities.
- 2.4. The organisation should provide facilities that indirectly relieve the authority of the need to do so, or enhance or supplement those that it does provide.
- 2.5. The facilities should be made available to people other than members e.g. schools, casual public sessions.

3. Other Considerations

- 3.1 The organisation should be affiliated to local or national organisations.
- 3.2 Membership should be drawn mainly from Brent residents.
- 3.3 Members (e.g. players) should not be paid to participate.
- 3.4 The extent to which the activities of the organisation contribute to a local or regional community strategy is to be taken into account.
- 3.5 The contribution an organisation makes towards Brent's Corporate Strategy is to be taken into account.
- 3.6 The charity / organisation should not have any rate arrears from previous year(s) before relief is awarded.
- 3.7 Applications should be received by 30th June in respect of the financial year to which they relate, unless the ratepayer begins to occupy the property after 1st April, or there is a delay in issuing their bill.

CATEGORISATION OF ORGANISATIONS AND CHARITIES

Non Profit Making Organisations	Charitable Organisations
1. Sports Clubs offering 1 or 2 sports	16. Support groups
2. Sports Clubs offering a range of sports	17. Advice Centres
3. Sports clubs set up for a particular disadvantaged group or a disabled group	18. Charity Shops
4. Social clubs	19. Clubs and community clubs
5. Social clubs for ethnic groups	20. (Deleted)
6. Social clubs for religious groups	21. Other charitable organisations
7. Social clubs for disabled groups	22. Former Grant maintained schools
8. Youth clubs (general)	23. Independent schools
9. Youth clubs for ethnic groups	24. Further & Higher Education colleges
10. Youth clubs for religious groups	25. Foundation Voluntary Schools (former LMS)
11. Youth organisations such as scouts/guides	
12. Youth clubs for disabled people	
13. Other recreational clubs and societies	
14. Groups or organisations working on specific projects with Brent Council	
15. Other information organisations/services	

APPENDIX 4

Non Profit making Organisations (25% relief awarded)		Rate Charge 2006/07 (no mandatory relief)	Amount of Discretionary relief at 25%	Cost to Brent at 25%
30485174	Abbey Estate Community Association	4,243.40	1,060.85	265.21
30110154	Brondesbury Bowling Club Ltd	2,987.70	746.93	186.73
30400034	Century Bowling & Sports Club Ltd	15,696.25	3,924.06	981.02
30129007	Coles Green Lawn Tennis Club	698.07	174.52	43.63
3052780X	Kingsbury Town Football Club	4,366.50	1,091.63	272.91
30412355	LNER Club	5,367.60	1,341.90	335.48
3167674x	Stonebridge Tenants Advancement Committee	1,818.60	454.65	113.66
32749674	Stonebridge Training & Employment Project/ Residents Resource Centre	3,465.60	866.40	216.60
30523880	Wembley and Sudbury Tennis, Squash & Social Club	4,330.00	1,082.50	270.62
30535000	Wembley Hill Sports & Social Club	1,196.50	299.13	74.78
3272285X	Mahogany Community Ventures	5,629.00	1,407.25	351.81
			£12,449.82	£3,112.45

Non-Local Charities (25% Relief Awarded)

New applications attached

		Rate Charge 2006/07	Bill net of Mand relief	Amount of relief awarded (25%)	Cost to Brent of 75%
30364053	Ancient Order of Foresters	5,542.64	1,108.53	277.13	207.85
31534146	Brahma Kumaris World Spiritual University	3,767.10	753.42	188.36	141.27
30681411	The British Association of Psychotherapists	19,052.00	3,810.40	952.60	714.45
30868924	British Wizo	3,464.00	692.80	138.56	103.92
32773987	Digital Inclusion (new application)	6,334.85	1,266.97	316.74	237.55
32541911	Forward (Foundation for Women's Health, Research & Development)	3,031.00	606.20	151.55	113.66
30541875	Greater London Fund for the Blind	2,822.96	564.59	106.00	79.50
32727060	Green-works	41,135.00	8,227.00	2,056.75	1,542.56
31949069	Hope Charity	5,542.64	1,108.53	277.13	207.84
32244941	Information Centre	3,204.20	640.84	160.21	120.16
32746720	Irshad Trust	7,794.00	1,558.80	389.70	292.27
31922405	Joshua Generation (World Outreach) Ministries (new application)	1,472.20	294.44	73.61	55.20
32244727	Lebanese Welfare Community	3,464.00	692.80	173.20	129.75
32733763	Middle East Relief Fund	568.22	113.64	28.41	21.30
3163553x	Muslim Women's Helpline	584.55	116.91	29.23	21.92
32748839	Network Housing Group Ltd (new application)	78,373.00	15,674.60	3,918.65	2,938.98
31329737	Oxfam	15,046.75	3,009.35	752.38	564.25
30512215	Pakistan Workers Association	2,987.70	597.54	149.38	112.03
3212470x	Rainbo	5,703.25	1,140.65	285.16	213.87
31835477	Roadpeace	1,710.35	342.07	85.51	64.13
30478638	RSPCA Middlesex North West Branch	4,330.00	866.0	216.50	162.37
30478638	RSPCA Middlesex North West Branch	5,481.20	1,096.24	274.06	205.54
30357956	Scope	11,799.25	2,299.90	574.97	431.23
32706300	Stagetext Ltd	1,216.83	888.29	222.07	166.55
30399150	The Royal British Legion	1,385.60	277.12	69.28	51.96
30467303	The Liberal Jewish Synagogue	3,247.50	649.50	162.37	121.78
30053576	West Kilburn Royal British Legion	7,469.25	1,493.85	373.46	280.09
				£12,402.97	£9,301.98

Community Amateur Sports Club (25% relief awarded)

		Rate Charge 2006/07	Bill net of Mandatory relief	Amount of discretionary relief	Cost to Brent at 75%
30859321	Wembley Sports Association	5,520.75	1,104.15	276.04	207.03

Voluntary-aided schools (100% relief to be awarded)

		Rate Charge 2006/07	Bill net of Mand relief	Cost to Brent at 75%
31255601	ST MARY'S C OF E	21,217.00	4,243.40	3,182.55
31255509	ST MARY MAGDALEN'S	12,990.00	2,598.00	1,948.50
31255051	OUR LADY OF LOURDES	14,289.00	2,857.80	2,143.35
31255381	ST ANDREWS C OF E JUN	19,485.00	3,897.00	2,922.75
31254951	OUR LADY OF GRACE INF	9,526.00	1,905.20	1,428.90
31254841	OUR LADY OF GRACE RC	11,041.50	2,208.30	1,656.23
31248071	CONVENT OF JESUS & MARY	12,557.00	2,511.40	1,883.55
31249381	ST JOSEPHS RC PRIMARY	23,815.00	4,763.00	3,572.25
31249491	ST ROBERT SOUTHWELL RC	20,134.50	4,026.90	3,020.18
31249711	MICHAEL SOBELL SINAI	37,887.50	7,577.50	5,683.13
31255931	ST MARY'S JUN & INF	22,083.00	4,416.60	3,312.45
31255161	PRINCESS FREDERICA C OF E	20,134.50	4,026.90	3,020.18
31253105	CHRISTCHURCH C OF E	11,907.50	2,381.50	1,786.13
31253861	KEBLE C OF E	20,134.50	4,026.90	3,020.18
31255491	ST MARGARETS	12,340.50	2,468.10	1,851.08
Total			£53,908.50	£40,431.41

Foundation Schools (100% relief to awarded)

A/C No.	School	Rate Charge 2006/07	Bill net of Mand Relief	Cost to Brent at 75%
	Primary			
31154761	Malorees Jnr	22,516.00	4,503.20	3,377.40
31337471	Kilburn Park Jnr	7,629.87	1,525.97	1,144.48
31032551	NW London Jewish	15,371.50	3,074.30	2,305.73
30960721	Oakington Manor	42,434.00	8,486.80	6,365.10
31188771	St Josephs RC	24,031.50	4,806.20	3,604.65
31203271	Islamia Primary	38,970.00	7,794.00	5,845.50
32716827	Torah Temimah	11,041.50	2,208.30	1,656.26
			£32,398.77	£24,299.12
	Secondary			
31016741	Alperton High	125,137.00	25,027.40	18,770.55
30993971	Cardinal Hinsley	64,517.00	12,903.40	9,677.55
30653721	Claremont	14,5921.00	29,184.20	21,888.15
30916903	Convent Jesus Mary	95,799.60	19,155.92	14,366.94
30802140	Copland	115,611.00	23,122.20	17,341.95
31048681	John Kelly Boys	117,776.00	23,555.20	17,666.40
30958641	Kingsbury High Annex	88,332.00	17,866.40	13,399.80
32613861	Kingsbury High	100,889.00	20,177.80	15,133.35
31355021	Preston Manor	110,187.23	22,037.45	16,528.09
30988181	Queens Park	95,963.00	19,192.60	14,394.45
30988071	St. Gregory's	90,497.00	18,099.40	13,574.55
32709915	JFS	266,295.00	53,259.00	39,944.25
			£283,580.97	£212,686.03

The cost to the Council of granting discretionary rate relief to Foundation Schools is withheld from the individual schools budget and therefore not charged against the budget for discretionary rate relief.

