

**LONDON BOROUGH OF BRENT**

**MEETING OF THE EXECUTIVE**

**12 JULY 2004**

**REPORT FROM THE DIRECTOR OF FINANCE**

**NATIONAL NON DOMESTIC RATE – DISCRETIONARY RELIEF FOR  
CHARITIES AND NON PROFIT MAKING ORGANISATIONS**

FP REF BFS-04/05-80

**1. SUMMARY**

- 1.1 The Council has the power to grant discretionary relief to charities and to non-profit making organisations which meet specified criteria.
- 1.2 This report includes details of the applications received by 11 June 2004.

**2. RECOMMENDATIONS**

- 2.1 Members are requested to consider these applications and to decide how much, if any, discretionary relief is to be granted for 2004/2005.

**3. DIVERSITY IMPLICATIONS**

- 3.1 Applications have been received from a wide variety of diverse charities and organisations, so there is likely to be diversity implications. Details of all the charities and organisations are shown in Appendices 3 and 4.

**4. FINANCIAL IMPLICATIONS**

- 4.1 Charities 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.
- 4.2 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.
- 4.3 The budget available for this discretionary spending for 2004/05 is £123K.

- 4.4 For the last 6 years, the Council has followed a general guideline of granting 100% discretionary relief to local charities and 25% discretionary relief to non-local charities and 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 £59K. There are likely to be further applications made during the course of the year.

## **5. STAFFING IMPLICATIONS**

- 5.1 None

## **5. LEGAL IMPLICATIONS**

- 5.1 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%.
- 5.2 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. DETAILS**

- 6.1 Appendix 1 shows the Council's eligibility criteria and Appendix 2 lists the Council's categorisation of organisations and charities.
- 6.2 There are 89 applications from charities and the details of these are shown in Appendix 3.
- 6.3 There are 9 applications from non-profit making organisations and the details of these are shown in Appendix 4.
- 6.4 There is 1 application from a Community Amateur Sports Club and this is shown in Appendix 5.

- 6.5 There are 5 applications for 2003/04 from charities and these are shown in Appendix 6.
- 6.6 There are 13 applications from voluntary-aided schools and these are shown in Appendix 7.
- 6.7 There are 17 applications from foundation schools and these are shown in Appendix 8.

## **7. BACKGROUND INFORMATION**

- 7.1 ODPM guidance note on discretionary relief.

### **Laurence Knight Client Manager for Local Taxation & Benefits**

For further information please contact:  
Laurence Knight  
Client Manager for Local Taxation & Benefits  
8<sup>th</sup> Floor, Brent House  
349-357 Wembley High Road  
Wembley  
HA9 6BZ

Telephone (020) 8937 1503