

LONDON BOROUGH OF BRENT**Executive - 12 April 2005****Report from the Director of Finance**

For decision

Wards affected:
ALL

Report Title: **National Non Domestic Rate – Discretionary Relief for Charities and Non Profit Making Organisations**

Forward Plan Ref: BFS-05/05-83

1.0 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 since September 2004

2.0 Recommendations

- 2.1 Members are requested to approve discretionary rate relief for those organisations listed in Appendices 3,4 and 5 for 2004/2005.

3.0 Detail

- 3.1 Appendix 1 shows the Council's eligibility criteria and Appendix 2 lists the Council's categorisation of organisations and charities.
- 3.2 There are 13 applications from charities and the details of these are shown in Appendix 3.
- 3.3 There are 8 applications from non-profit making organisations and the details of these are shown in Appendix 4.
- 3.4 There is 1 application from a Voluntary Aided School and this is shown in Appendix 5

3.5 Appendix 6 sets out all of the individual applications, and the cost to the authority of granting the respective relief.

4.0 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 £113K. To date members have granted discretionary relief amounting to £81k, but due to a combination of vacations and rateable value reductions the cost to the Council has reduced to £72K.

4.4. The Council has followed a general policy of granting 100% discretionary relief to local charities and foundation schools, 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 £16K.

5.0 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.

5.3 Legislation allows members to consider applications from the previous financial year if a determination is made before the 1st October.

6.0 Diversity Implications

6.1 Applications have been received from a wide variety of diverse charities and organisations, serving different sections of the community. Details of all the charities and organisations are shown in Appendices 3 and 4. Consistent Policies are applied to all organisations.

7.0 Staffing Implications

7.1 None

Background Papers

ODPM guidance note on discretionary relief.

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