

LONDON BOROUGH OF BRENT

EXECUTIVE - 11th JULY 2005

REPORT FROM THE DIRECTOR OF FINANCE AND CORPORATE RESOURCES

For information

Wards affected:

ALL

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

Forward Plan Ref: BFS-05/06-4

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 15th June 2005.

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 2005/2006.

3. DETAILS

- 3.1 Appendix 1 shows the Council's eligibility criteria and Appendix 2 lists the Council's categorisation of organisations and charities. All of the applicants listed at Appendices 3 to 8 meet the Council's criteria and are eligible for discretionary charitable rate relief to the extent indicated at section 4.6 below.
- 3.2 There are 104 applications from charities and the details of these are shown in Appendix 3. Local and Non local charities are shown separately.
- 3.3 There are 10 applications from non-profit making organisations and the details of these are shown in Appendix 4.

- 3.4 There is one application from a Community Amateur Sports Club (CASC) and this is shown at Appendix 5.
- 3.5 There are 15 applications from Voluntary-aided schools and these are shown in Appendix 6.
- 3.6 There are 19 applications from Foundation schools and these are shown in Appendix 7.
- 3.7 There are 2 applications for the financial year 2004/05 and these are shown at Appendix 8. Applications for the previous financial year may be granted if considered before the 30th September.

4. FINANCIAL IMPLICATIONS

- 4.1 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.
- 4.2 The cost of granting Discretionary relief to Voluntary Aided schools listed at Appendix 6 is borne by the Council from the Discretionary Relief Budget.
- 4.3 Foundation Schools within the Borough, which are listed at Appendix 7 are registered charities and as such received 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 Councils cost of granting this top up relief is withheld from the individual schools budget and detailed at Appendix 7.
- 4.4 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 from the Discretionary Relief Budget.
- 4.5 The budget available for this discretionary spending for 2005/06 is £115K.
- 4.6 For the last 7 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 £131K, which is in excess of the budget of £115k. If Members approved applications above the budget, this would need to be funded from other budgets in the service. It is anticipated that Council Tax Summons Income will exceed the budget, and this would be the source suggested. There are likely to be some further applications for Discretionary relief made during the course of the year. Any applications for relief granted under the Hardship provisions would also be required to be contained within this budget.

5 STAFFING IMPLICATIONS

- 5.2 None

6. LEGAL IMPLICATIONS

- 6.1 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%.
- 6.2 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.

7. DIVERSITY IMPLICATIONS

- 7.1 Applications have been received from a wide variety of diverse charities and organisations, so there is likely to be diversity implications. An Impact Needs Requirement Assessment (INRA) has recently been carried out. All ratepayers receive information with the annual rate bill informing them of the availability of discretionary rate relief. Ratepayers who have previously applied for relief are sent annual discretionary application forms. Details of all the charities and organisations are shown in Appendices 3,4,5 and 8.

8. BACKGROUND INFORMATION

- 8.1 ODPM guidance note on discretionary relief.

For further information contact

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