



**Cabinet**  
07 December 2020

**Report from the Strategic Director  
of Customer and Digital Services**

## **National Non-Domestic Rates – Applications for Discretionary Rate Relief**

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Key
<b>Open or Part/Fully Exempt:</b>	Open
<b>No. of Appendices:</b>	Two: Appendix 1: Eligibility Criteria for Applications for NNDR Discretionary Relief for Charities & From Non Profit Making Organisations Appendix 2 New Applications for Discretionary Rate Relief – Local Charities and Non-Profit Bodies
<b>Background Papers:</b>	None
<b>Contact Officer(s):</b>	Peter Cosgrove, Head of Revenue and Debt <a href="mailto:Peter.Cosgrove@brent.gov.uk">Peter.Cosgrove@brent.gov.uk</a> Tel: 02089372307

### **1.0 Purpose of the Report**

- 1.1 The Council has the discretion to award rate relief to charities or non-profitmaking bodies. It also has the discretion to remit an individual National Non-Domestic Rate (NNDR) liability in whole or in part on the grounds of hardship. The award of discretionary rate relief is based on policy and criteria agreed by Cabinet on 15 November 2016. New applications for relief are required to be considered by the Cabinet pursuant to the Council's existing policy and criteria for determining entitlement to discretionary rate relief in respect of NNDR.
- 1.2 The report details all new applications for relief received since Cabinet last considered such applications in May 2020 as appendix 2.

### **2.0 Recommendation(s)**

- 2.1 That the applications for discretionary rate relief in respect of national non-domestic rate liability as set out and detailed in Appendix 2 to this report be approved
- 2.2 That the policy amendment removing the end date of 31 March 2020 be approved and that the review to commence in October 2021 be approved..

## **2.0 Detail**

- 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 (4 and 5).
- 3.2 Appendix 1 sets out the criteria and factors to consider for applications for NNDR relief from Charities and non-profit making organisations. This Has been amended to the extend that awards will be reviewed from time to time.
- 3.3 Appendix 2 lists new applications from local and non-local charities that meet the criteria. These receive 80% mandatory relief, where they meet the criteria the council will award local charities up to 100% discretionary relief in respect of the remaining 20% balance and will award non local charities 25% relief in respect of the remaining 20% balance. It also shows the cost to the Council if discretionary relief is awarded. Non-profit organisations receive no mandatory relief but may receive up to 25% relief on the rates due. The applications in this report relate to Crisis which as a national charity and is therefore restricted to 25% relief of the 20% they are required to pay in accordance with Council Policy. The other application, Kingsbury Town Football Club, is not entitled to mandatory relief as a non-profit organisation, under Council policy it may receive 25% relief of the rates due, note it has no rates to pay for 2020/21 due to the extended retail relief provided by government in light of the Covid-19 pandemic.
- 3.4 The criteria for awarding discretionary rate relief focuses on ensuring that the arrangements are consistent with corporate policies and relief is directed to those organisations providing a recognised valued service to the residents of Brent, particularly the vulnerable and those less able to look after themselves. Further detail is set out in Appendix 1. Should relief be granted entitlement will remain until 31 March 2023 unless there are any changes to the organisation. The scheme will be reviewed in October 2021 when organisations will be required to reapply for relief from April 2023. This means qualifying organisations always have a 12 notice of any changes.
- 3.5 Charities and registered community amateur sports clubs are entitled to at least 80% mandatory rate relief and the council has discretion to grant additional relief up to the 100% maximum
- 3.6 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. However, the council's policy limits relief for these to 25%.

## **4.0 Financial Implications**

- 4.1 From 1 April 2018 the council has been part of a pan London business rates pool whereby a percentage of the income from business rates is retained by the council and the GLA and a single levy payment to is paid to central government. From 1 April 2020 the retained share is 67% with the council picking up 30% of any discretionary rate relief awarded.
- 4.2 The Council, where it has decided to grant relief, has followed a general guideline of granting 25% of the discretionary element to non-local charity and local non-profit manking organisation.

- 4.3 Any additional awards of relief will reduce income to the Council by 30% in 2020/21.
- 4.4 The total costs of awarding discretionary relief to the two organisations detailed in Appendix 2 is £12,112 over the four years, with a £922 reduction to the council's projected income from its retained Business Rates income from 2020/21 onwards.

## **5.0 Legal Implications**

### **Discretionary Rate relief**

- 5.1 Under the Local Government Finance Act 1988, charities are only liable to pay 20% of the NNDR that would otherwise be payable where a property is used wholly or mainly for charitable purposes. This award amounts to 80% mandatory relief of the full amount due. For the purposes of the Act, a charity is an organisation or trust established for charitable purposes, registration with the Charity Commission is conclusive evidence of this. Under the Local Government Act 2003, registered Community Amateur Sports Clubs also qualify for 80% mandatory relief.
- 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. Details of the policy are contained in Appendix 1.
- 5.3 The Non-Domestic Rating (Discretionary Relief) Regulations 1989 allow the London Borough of Brent to grant the relief for a fixed period. One year's notice is required of any decision to revoke or vary the amount of relief granted, if in the case of a variation, it would result in the amount of rates increasing. The notice must take effect at the end of the financial year.
- 5.4 The operation of blanket decisions to refuse discretionary relief across the board would be susceptible to legal challenge on grounds that the Council could be fettering its discretion. The legal advice provided to officers and Members is that each case should be considered on its merits.

## **6.0 Equality Implications**

- 6.1 Applications have been received from a wide variety of diverse charities and organisations, and an Impact Needs Analysis Requirement Assessment (INRA) as carried out in 2008 when the criteria were originally agreed. As there were no changes made to the criteria in September 2013 an Equality Impact assessment was not required. All ratepayers receive information with the annual rate bill informing them of the availability of discretionary and hardship rate relief.

## **7.0 Consultation with Ward Members and Stakeholders**

- 7.1 None.

## **8.0 Human Resources/Property Implications (if appropriate)**

- 8.1 None

**Related documents:** Report to Cabinet 15 November 2016 – National Non-Domestic Relief – Review of Discretionary Rate Relief Policy

**Report sign off:**

***Peter Gadsdon***

Strategic Director of Customer and  
Digital Services