



COUNCILLOR PHIL DAVIES

**CABINET
22 FEBRUARY 2016**

**NATIONAL NON DOMESTIC RATES
DISCRETIONARY RELIEF SCHEME 2016/17**

Councillor Phil Davies, Leader of the Council, said:

‘The Council is required to put in place an effective policy in this area, which this report provides. The policy supports charities and a range of other organisations in Wirral.’

REPORT SUMMARY

This report seeks approval of the Council’s National Non Domestic Rates Discretionary Rate Relief Scheme to be effective from 1 April 2016. The current Scheme also contains Living Wage Relief, Retail Rate Relief and, Business Rate Re-occupation Relief all of which come to an end as at 31 March 2016.

This is a key decision and affects all wards within the borough.

RECOMMENDATION

That the Discretionary Rate Relief Policy (Appendix 1) to this report be approved as the Council Policy for 2016/17 onwards.

SUPPORTING INFORMATION

1.0 REASON FOR RECOMMENDATION

- 1.1. The Council must have in place an agreed National Non Domestic Rates Discretionary Rate Relief Scheme prior to the start of the 2016/17 financial year.

2.0 OTHER OPTIONS CONSIDERED

- 2.1. Whilst the Council must have a Scheme there are a range of options as regards the level of assistance and the range of organisations to which support is offered.

3.0 BACKGROUND INFORMATION

- 3.1. National Non Domestic Rates or Business Rates is charged on all non-domestic properties and as a national scheme has been in place since 1990. Alongside the billing of properties there are a number of reliefs and exemptions available to help meet liability. These may be part of the national scheme or via local discretion which each local authority decides upon.
- 3.2. One area of relief is reducing rates liability (potentially up to full charge) of properties occupied by charities, voluntary organisations or sports and social clubs. This is split into two types Mandatory and Discretionary Relief. The Council supports clubs and organisations by reducing their rates liability and this is funded in part by Central Government and part by the local authority.
- 3.3. Mandatory Rate Relief is paid to charities and registered Community Amateur Sports Clubs (CASC's) at the rate of 80% and is fully funded by Central Government. Not for profit organisations, including Community Interest Companies (CIC) that are not registered as charities can apply for Discretionary Rate Relief.
- 3.4. Section 47 of the Local Government Finance Act 1988 requires the Council to maintain a Discretionary Rate Relief Scheme. The Council must have a Policy but the scale is discretionary and can be limited by appropriate factors as to what the Council wishes to support.
- 3.5. The legislation states the discretionary relief qualifying conditions must be one or more of the following:
 - (a) the ratepayer is a charity or trustees for a charity and the property is wholly or mainly used for charitable purposes, whether that or other charities;
 - (b) the property is not an excepted property and all or part of it is occupied for the purposes of one or more institutions or organisations, none of which is established or conducted for profit and each of whose main objects are

charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts;

(c) the property is not an excepted property, it is wholly or mainly used for the purposes of recreation and all or part of it is occupied for the purposes of a club, society or other organisation not established or conducted for profit.

An excepted property is a property occupied by the Charging or Precepting authority as relief cannot be awarded in effect to itself.

- 3.6 The Council retains the discretion to award any amount up to 100%, less any Mandatory Relief granted. The Scheme proposed in Appendix 1 looks to acknowledge the valuable role that voluntary organisations play in the life of Wirral residents.
- 3.7. In order to ensure the effective administration the current Discretionary Policy has general principles agreed on eligibility and thereafter each case is decided on its own merits by the Revenues Senior Manager apart from cases that within the Policy are due to be decided by Members.
- 3.8 Currently 440 properties receive support with 78 properties receiving 80% Mandatory Relief only, 344 receiving 80% Mandatory and 20% Discretionary Relief and 18 receive 100% Discretionary Rate Relief. A list of the type of organisations in receipt is shown in Appendix 2.
- 3.9. All organisations were advised that Relief ends on 31 March 2016 and that the criteria will be reviewed. Since then the Government have announced further changes to Business Rates as well as the on-going review prior to the 100% retention of Business Rates by 2020. Whilst the Wirral Plan has been agreed by the Council and local partners the underpinning delivery plans are being developed. This will include working with organisations across Wirral and require a fundamental review of the Discretionary Rate Relief Policy during 2016.
- 3.10. For 2016/17 it is recommended that the existing Policy as shown in Appendix 1 be retained whilst noting the removal of the 2 year Retail Relief and the Rates Re-Occupation polices previously introduced by the Government come to an end on 31 March 2016. The local policy introduced to promote the Living Wage also comes to an end on 31 March 2016, regrettably uptake has been slow with only one firm benefitting from the Policy.

4.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 4.1 There are none as the proposal is to retain the current policy for 2016/17.

5.0 FINANCIAL IMPLICATIONS

- 5.1. With the changes to Business Rates introduced by the Government the costs of Discretionary Rate Relief are met through the Collection Fund for which the

costs are shared between the Government and the Council. The forecast spend in 2016/17 is £640,000.

6.0 LEGAL IMPLICATIONS

6.1 Section 47 of the Local Government Finance Act 1988 requires the Council to maintain a Discretionary Rate Relief Scheme. The required notice was supplied to recipients cancelling the existing Scheme and advising a replacement was being considered. The new Scheme needs to be in place prior to 28 February 2016 to allow for successful billing for 2016/17.

7.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

7.1 There are no ICT, staffing or asset implications arising from this report.

8.0 RELEVANT RISKS

8.1. If a decision is not made to adopt this Policy the Council would not have a Discretionary Rate Relief Policy in place from 1 April 2016 and all previous recipients would not be awarded any Discretionary Rate Relief.

9.0 ENGAGEMENT/CONSULTATION

9.1. The required notice was supplied to recipients cancelling the existing Scheme and advising a replacement was being considered.

10.0 EQUALITY IMPLICATIONS

10.1 The Equality Impact Assessment link for National Non Domestic Rates Relief is shown;

<http://www.wirral.gov.uk/my-services/community-and-living/equality-diversitycohesion/equality-impact-assessments/eias-2010/finance>

REPORT AUTHOR: Neil Powell
Revenues Senior Manager
Transformation and Resources
Telephone: (0151) 666 3505
Email: neilpowell@wirral.gov.uk

APPENDICES

Appendix 1 – Discretionary Rate Relief Policy 2016/17

Appendix 2 – Organisations in receipt of Discretionary Rate Relief

REFERENCE MATERIAL

Local Government Finance Act 1988

NNDR (Discretionary Relief) Regulations 1989

NNDR (Discretionary Relief) Regulations 1992

SUBJECT HISTORY

Council Meeting	Date
Policy & Resources	24 January 1999
Cabinet (minute 202)	18 February 2013
Cabinet (minute 165)	13 March 2014
Cabinet (minute 197)	19 June 2014
Council (minute 112)	24 February 2015
Cabinet (minute 16)	29 June 2015

WIRRAL COUNCIL

NATIONAL NON-DOMESTIC RATE DISCRETIONARY RELIEF POLICY 2016/17

1. AWARD

- 1.1 Whereby Mandatory Relief, at 80%, is payable to an organisation the Council may top-up that award with Discretionary Relief of 20% after careful consideration of below.
- 1.2. Where the organisation qualifies for Discretionary Relief utilising the following criteria the maximum (full relief) award under this policy will be 100% of the Business Rates payable after careful consideration of below.

2. ACCESS

- 2.1. Is membership open to all sections of the community? There may be legitimate restrictions placed on membership which relate for example to ability in a sport or the achievement of a standard in the field covered by the organisation or where the capacity of the facility is limited. Clubs or organisations should not be considered if they have membership rates set at such a high level as to exclude the general community. In general, the club or organisation must be prepared to show that the criteria by which it considers applications for membership are consistent with the principle of open access.
- 2.2. Does the organisation actively encourage membership from particular groups in the community e.g. young people, women, older age groups, persons with disability, ethnic minorities, etc.? An organisation which encouraged such membership might expect more sympathetic consideration than one which made no effort to attract members from groups which the Authority considered to be particularly deserving of support.
- 2.3. Are the facilities made available to people other than members, e.g. schools, casual public sessions etc.? The wider use of facilities should be encouraged and rate relief might be one form of recognition that an organisation was promoting its facilities more widely.

3. PROVISION OF FACILITIES

- 3.1. Does the organisation provide training or education for its members? Are there schemes for particular groups to develop their skills e.g. young people, the disabled, retired people? An organisation providing such facilities might deserve more support than one which did not.
- 3.2. Have the facilities available been provided by self-help or grant aid? The fact that a club uses or has used self-help for construction or maintenance or had facilities funded by grant aid might be an indicator.

- 3.3. Does the organisation run a bar? The mere existence of a bar should not in itself be a reason for not granting relief. The Authority should look at the main purpose of the organisation. In sports clubs for example the balance between playing and non-playing members might provide a useful guide as to whether the main purpose of the club is sporting or social activities. A social club whose main aim is to bring together people with similar interests should not be excluded from relief just because of the existence of a licensed bar.
- 3.4. Does the organisation provide facilities which indirectly relieve the Authority of the need to do so, or enhance and supplement those which it does provide? Authorities should not refuse relief on the grounds that an organisation is in competition with the Authority itself, but should look at the broader context of needs of the community as a whole. A new need, not being provided by the Authority itself but identified as a priority for action, might be particularly deserving of support.

4. OTHER CONSIDERATIONS

- 4.1. Is the organisation affiliated to local or national organisations e.g. local sports or arts councils, national representative bodies, i.e. are they actively involved in local/national development of their interests?
- 4.2. If the organisation is a sporting club and its main activities are a recognised eligible sport the club will be encouraged to register with the Inland Revenue as a Community Amateur Sports Club (CASC).
- 4.3. Is the membership drawn from people mainly resident in the charging authority's area? Although authorities will have in mind that 25% of the cost of any relief given will be borne by the Council Taxpayers in their area, particular difficulties may arise with hereditaments which straddle local authorities boundaries and which under Regulation 6 of the Non-Domestic Rating (Miscellaneous Provisions) Regulations 1989 (S.I. 1989 No. 1060) will now fall to be shown in one list. In these cases and in those where hereditaments are situated close to an authority's boundary, a proportion of the membership may come from another charging authority area. Also for geographical reasons, or because of the nature of the terrain, particular facilities may be the only ones available for a wide area. In such cases the joint use of facilities by one or more similar organisations is not uncommon. In most cases there will be a measure of reciprocity between the memberships of organisations from different areas.
- 4.4. Authorities may wish to add further criteria or substitute relevant alternative criteria, which are appropriate to the furthering of their policies and the needs of the community such as development programmes. They should also bear in mind the need to encourage new activities in the wide range of organisations for which relief from rates is available.
- 4.5. The manner in which charities or organisations are funded should also be considered. In cases of full or substantial funding from central government; either directly or through an agency, council or similar body, which is funded

or established by central government, consideration should be given to the merit of awarding relief.

- 4.6. Are members paid to participate? The Authority may wish to consider whether to award relief where payments or other significant benefits are provided to players. Exceptions may be the reimbursement of reasonable travel expenses or reasonable provision and maintenance of club owned equipment. The Authority may look favourably on clubs whose paid players contribute more to the club than just playing e.g. by coaching younger members.
- 4.7. The Authority may wish to consider the extent to which the organisation's activities contribute to local community strategies or authority objectives for developing neighbourhood identity, community building or social inclusion.
- 4.8. Housing Associations, universities, further education colleges and independent schools are specifically excluded from receiving discretionary rate relief as per Cabinet decision dated 10 January 2008.
- 4.9. All future discretionary rate relief applications in respect of properties with a rateable value of less than £18,000 are accompanied by a Small Business Rate Relief (SBRR) application to encourage SBRR take up and to continue to reduce the reliance on the Discretionary Rate Relief budget. This will continue until this relief is ended by Central Government.
- 4.10. With effect from 1 April 2014, Community Interest Companies and social welfare organisations that occupy properties with rateable values under £7,000 be entitled to maximum level of discretionary rate relief and those occupying properties of £7,000 or more be considered by Members, on a case by case basis.

APPENDIX 2

ORGANISATIONS IN RECEIPT OF DISCRETIONARY RATE RELIEF

Organisation	Mand 80% and Disc 20%	Disc only 100%
Bowling Club		1
Charity Shops	70	
Community Associated Sports Clubs (CASC's)	8	
Community and Resident Associations	39	
Cricket Club		1
Gym	1	1
Housing Associations	2	
Miscellaneous	19	2
Museum	2	
National Charities	11	
Playgroups	2	
Religious Groups	9	
Rugby		5
Sailing Club		2
Soccer		1
Sports Club	2	1
Squash Club		1
Tennis Club		1
Theatre Charities	4	
Training Organisations	4	1
Voluntary and Aided Schools	33	
Welfare Organisations	92	1
Youth Organisations	46	
TOTAL	344	18