

DISCRETIONARY RATE RELIEF FROM BUSINESS RATES FOR CHARITIES, SIMILAR ORGANISATIONS NOT ESTABLISHED OR CONDUCTED FOR PROFIT AND RURAL BUSINESSES.
LEADER OF THE COUNCIL AND DEPUTY MAYOR OF THE CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY
September 2019
Deadline date: 30 September 2019

Cabinet portfolio holder: Responsible Director:	Leader of the Council and Deputy Mayor of the Cambridgeshire and Peterborough Combined Authority Peter Carpenter, Acting Corporate Director Resources
Is this a Key Decision?	NO
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	NO

R E C O M M E N D A T I O N S	
The Cabinet Member is recommended to:	
<ol style="list-style-type: none"> 1. Approve the award of Discretionary Rate Relief for charities and similar organisations shown on the attached schedule at Appendix A to 31 March 2021; and 2. Reject the applications for the award of Discretionary Rate Relief for charities and similar organisations shown on the attached schedule at Appendix B. 	

1. SUMMARY OF MAIN ISSUES

1.1 Under certain circumstances, some businesses and organisations are eligible for a reduction in business rates liability by applying to the council for Discretionary Rate Relief. This report considers applications received by some businesses and organisations against current legislation and council guidelines for Discretionary Rate Relief. The applications made are for the financial years 2019/20 and 2020/21. In addition there are a number of outstanding items from 2018/19 which are clearly identified in Appendix A.

2. PURPOSE OF THIS REPORT

2.1 This report is for the Cabinet Member for Resources to consider applications made for Discretionary Rate Relief under paragraph 3.4 of Part 3, Section 3 of the constitution in accordance with the terms of their portfolio at paragraph (l).

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	N/A
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4. DETAILS OF DECISION REQUIRED

- 4.1 Approve the award of Discretionary Rate Relief for charities and similar organisations shown on the attached schedule at Appendix A to 31 March 2021.
- 4.2 Refuse the award of Discretionary Rate Relief for charities and similar organisations shown on the attached schedule at Appendix B to 31 March 2021.

5. CONSULTATION

- 5.1 Consultation with the Local Taxation section was undertaken to provide the relevant information for this report.

6. ANTICIPATED OUTCOMES

- 6.1 If an application for Discretionary Rate Relief is successful, the business or organisation will see a reduction in their business rate liability. If unsuccessful, the business or organisation will continue to pay the business rates in accordance with their demand notice.

7. REASONS FOR RECOMMENDATIONS & ANY RELEVANT BACKGROUND INFORMATION

- 7.1 This report covers applications for discretionary rate relief for the new two year cycle and cover the financial years 2019/20 and 2020/21 as well as some additional applications for 2018/19. The recommendations are in line with the guidelines for charities and other similar organisations shown below.
- 7.2 Awards of discretionary relief are allowed under s47 Local Government Finance Act 1988 (as amended by the Local Government Act 2003) and the Local Government and Rating Act 1997 to the following rate payers:
- Charities where the property in question is used wholly or mainly for charitable purposes;
 - Organisations not established or conducted for profit whose main objectives are, charitable or otherwise philanthropic, religious, concerned with education, social welfare, science, literature or the fine arts;
 - Clubs or societies not established or conducted for profit where the property is wholly or mainly used for the purposes of recreation.
 - Where the property is within the authorities Rural Settlement list, the rateable value of the property is less than £16,500 and the property is used for purposes that benefit the local community.
- 7.3 The organisations included within the appendices fall into one of the above categories.
- 7.4 Following the introduction of the business rates retention scheme on 1 April 2013, whereby councils are able to retain a proportion of business rates, the council is required to submit an annual declaration within statutory deadlines and forms part of the council's formal budget process. The final calculation of business rates to be retained locally has several calculations including deducting an estimate for Discretionary Rate Relief before apportioning the councils local share of 49%. The council has estimated that £0.41m Discretionary Rate Relief will be awarded for 2019/20 following applications from businesses and organisations.
- 7.5 The value of the proposed relief at Appendix A for the 2019/20 financial year is £276,256.67 with an additional £52,538.11 in respect of 2018/19 giving a total of £328,794.78 at this stage

and is in line with the original estimate. Any over or under estimate will be adjusted for accordingly at the end of the financial year. For 2020/21 an estimate for Discretionary Rate Relief will be included in the annual declaration to calculate the locally retained business rates for that year.

7.6 Appendix B details the applications which have been rejected and the reason for the recommendation, the total value of the relief in question being £82,336.53 which would result in a loss of income to the Council of £40,344.90 based on its 49% share.

7.7 Both appendices provide relevant information which has been extracted from the Councils local taxation system. The third column shows the amount outstanding on the account after the application of all other reliefs granted e.g. small business rate relief, mandatory charitable relief etc together with changes in Rateable Value and date of occupancy. The value in column three is equal to the amount of discretionary rate relief being awarded at the rate shown in the fifth column usually 20% or 100% (where no mandatory relief is awarded). If a different rate has been applied (two cases at 50%) this is clearly shown in the fifth column together with the value of the relief being awarded.

7.8 The cost of granting the above relief will be accounted for via a reduction to the Collectable Debit and incoming receipts for Business Rates.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 Alternative options to be considered include not allowing discretionary relief and allowing relief at a higher or lower level. However, to ensure consistency and equality, the recommendations are in line with the council guidelines and with previous decisions for similar organisations.

9. IMPLICATIONS

9.1 The legal and financial implications have been considered in the content of this report.

10. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

None.

11. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information Act 1985) and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

There are no additional documents.