

## **Discretionary Rate Relief Policy**

### ***PROPOSED DECISION OR RECOMMENDATION***

To agree the policy as set out in this report to take effect from April 2020

#### **Executive summary**

Local Authorities have a discretion to award Discretionary Rate Relief to charitable organisations under S47 Local Government Finance Act 1988. Each District Council in Bucks currently operates a slightly different scheme and it is recommended that a single scheme be agreed to take effect from 1<sup>st</sup> April 2020. This report explains the circumstances under which relief may be granted, and recommends a policy for approval.

#### **Recommendations**

1. The Discretionary Rate Relief Policy as set out in the Appendix be agreed
2. Standing orders for Buckinghamshire Council should encompass delegated authority for Officers to administer the scheme
3. That delegated authority is given to the Chief Financial Officer in consultation with the Portfolio Holder for Finance to agree future technical changes in respect of the policy for discretionary rate relief.

#### **Policy aims**

The aims of this policy are:

- To have a harmonised Discretionary Rate Relief policy for Buckinghamshire Council
- To continue to support local charitable organisations
- To be broadly cost neutral

#### **Background and Issues**

Discretionary Rate Relief can be granted under three specific circumstances:

1. The Ratepayer is a charity or trustees for a charity and property is wholly or mainly used for charitable purposes - this is often referred to as 'Top Up' and can be anything from 0-20%
2. Where all or part of the property is occupied for the purposes of one or more organisation not established or conducted for profit & whose main objects are charitable or otherwise philanthropic or concerned with education, social welfare, science, literature or the fine arts. This relief can be granted from 0-100%
3. The property is wholly or mainly used for the purposes of recreation and all or part of it is occupied for the purposes of a club or society or other organisation not established or conducted for profit. This relief can be granted from 0-100%

## Discretionary Rate Relief Policy

The District Council's expenditure on unfunded Discretionary Relief in 2018/19 was:

| District          | Estimated spend<br>2019/20 |
|-------------------|----------------------------|
| Aylesbury Vale DC | £303,000.                  |
| Chiltern DC       | £166,599                   |
| South Bucks DC    | £46,767                    |
| Wycombe DC        | £231,000                   |

The Authority has two options:

1. Continue with the existing 4 separate District schemes for 2020/21 and design a single scheme for 2021/22. This is the approach taken by Dorset Shadow Authority, primarily because the Authorities did not issue statutory 12 month cancellation notices to recipients. The Bucks District Authorities have issued these notices.
2. Design a unified scheme to take effect from 1<sup>st</sup> April 2020. A unified scheme will produce winners and losers.

Revenue Officers have reviewed the options and believe that as the existing schemes are broadly similar, a single scheme is both practical, achievable and is the most equitable approach for customers. In order to minimise the impact the proposed guidelines have been designed using the common factors of each District scheme.

The recommended new scheme is focused on local not for profit organisations making a contribution to the local community. The recommended officer guidelines are set out in Appendix A, but can be summarised as follows:

- Local organisations/charities that contribute to the local community;
- Community groups/organisations/charities giving support to local groups such as young people, older people or people with disabilities;
- Local sports organisations that are open to all residents in the district and not exclusive by virtue of high membership fees
- Discretionary relief schemes set by Central Government where funding is provided by Government
- Ad-hoc requests from local organisations/groups including those providing services that contribute to Corporate priorities or new businesses that contribute to regeneration in that area.
- Ad-hoc requests for Hardship under S49 Local Government Finance Act 1988 for Business Rates; or Council Tax under section 13A Local Government Finance Act 1992 as amended by S76 Local Government Act 2003

## **Discretionary Rate Relief Policy**

### **Financial implications**

The cost of Discretionary relief usually falls on the Local Authority. However there are instances where relief is funded by the Government via section 31 grant. A good example of this is the 2 year Retail Relief scheme that commenced on 1<sup>st</sup> April 2019 (1/3<sup>rd</sup> off rates payable for certain retail properties with a rateable value of below 5,100)

The recommended scheme has been designed as a mid-point scheme between the individual schemes currently operated by the 4 Districts which will minimise the impact. The aim is for this harmonised Policy to be broadly cost neutral and is similar to the individual District schemes currently in operation although there may be some winners & losers, but the policy aims to keep this to a minimum, particularly as applications will be considered on their own merits.

### **Technical changes**

Government Legislation can be quickly amended via Statutory Instruments, which occur throughout the course of the year. Any local schemes need to have a facility to make quick technical amendments to the Council's own scheme to provide clarification where different interpretations exist, or to reflect revised Government guidance or case law. This can be achieved by giving delegated authority to the Chief Financial officer in consultation with the appropriate Portfolio holder to make technical changes to the guidelines.

### **Appeals**

All appeals against decisions not to grant relief will be considered an independent officer

### **Conclusions**

A single Discretionary Rate Relief scheme to commence from April 2020 is the best option