

**Report Title:** Application for Discretionary Rate Relief

**Report To:** Leader of the Council      **Date:** 20 August 2019

**Cabinet Member:** Councillor Zoe Nicholson

**Ward(s) Affected:** All

**Report By:** Nick Ducatel, Functional Lead – Growth and Prosperity

**Contact Officer(s)-**

**Name(s):** Nick Ducatel  
    **Post Title(s):** Functional Lead, Growth and Prosperity  
    **E-mail(s):** Nick.ducatel@lewes-eastbourne.gov.uk  
    **Tel No(s):** 01323 415914

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### **Purpose of Report:**

This report puts forward one application for discretionary rate relief. The role profile of the Leader of the Council includes the authority to grant discretionary rate relief, within guidelines approved by Cabinet, with the value of the relief limited to £5,000 per person/body.

### **Officers Recommendation(s):**

- 1 To consider the application for discretionary rate relief as set out in this report for an award of 20% relief from 01 April 2018.
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### **Reasons for Recommendations**

- 1 A not for profit organisation has submitted an application for discretionary rate relief and provided supporting information as appropriate. The Leader of the Council has delegated authority to determine the applications.

### **Information**

#### **Brightnight Ltd (Cliffe Bonfire Society)**

- 1.1 Brightnight Ltd use land and storage facilities at Ham Lane for the activities of the Cliffe Bonfire Society. The site is used for bonfire night preparations, houses the equipment and structures for the society and is also the fire site. It is currently the only hereditament that Brightnight Ltd or Cliffe Bonfire Society are liable for in the area.

- 1.2 Brightnight Ltd are not a registered charity but do meet some of the criteria contained within our policy. We are recommending that the application for Discretionary Rate Relief is approved for the 2018/19 and 2019/20 financial years for 20% on the basis that they have 775 members who are mostly from the Lewes community and surrounding area which is a requirement for non-profit organisations to receive discretionary relief in the policy.
- 1.3 They provide cultural and educational experiences for people of all ages and abilities. They have a strong sense of community and offer support in terms of care for the elderly/children and vulnerable members of the local community. The society work with various local organisations and through their activities, provide local residents with a wide range of opportunities to get involved.
- 1.4 There is no defined percentage in our policy for non-profit organisations so the 20% award would reflect what we could consider awarding if the organisation had charitable status.
- 1.5 Brightnight Ltd had £242,000 accumulated funds showing on their accounts for 2018
- 1.6 The gross annual rates payable for the current financial year are set at £7,733. Brightnight Ltd are not currently in receipt of any other Business Rate Reliefs. They previously claimed Small Business Relief but the rateable value of the site was increased to £15,750 in 2017 due to extra buildings being built.
- 1.7 For the previous financial year there was a net charge of £7,560.
- 1.8 If 20% relief for both financial years is awarded it will equate to £3,058.

## **2 Summary**

- 2.1 In the above case the criteria set out in the Council's Policy for awarding discretionary rate relief are considered to be met, it is therefore recommended that 20% Discretionary Rate Relief is approved.

### **2.2 Financial Appraisal**

- 3 Under the Business Rates Retention arrangements, the cost of top-up rate relief will be shared between the Government, precepting Councils (East Sussex County Council and East Sussex Fire Authority) and this Council as follows:

	Brightnight Ltd £
Relief awarded 2018/19	<u>1,512</u>
Cost shared by:	
Government 50%	756
Lewes DC 40%	604.80
East Sussex County Council/ Sussex Fire 10%	151.20
Total	<u>1512</u>
	Brightnight Ltd £
Relief awarded 2019/20	<u>1,546.65</u>
Cost shared by:	
Government 25%	386.66
Lewes DC 44%	680.53
East Sussex County Council 26%	402.13
Sussex Fire 5%	77.33
Total	<u>1,546.65</u>

If the application is approved, the financial impact on Lewes District Council will be a reduction in retained rates income of £1,285 for 2018/19 and 2019/20.

### **Legal Implications**

- 4 The Local Government Finance Act 1988 and associated Regulations give councils a discretionary power to award rate relief to charities and non-profit making organisations.

### **Risk Management Implications**

- 5 There are no significant risks associated with these recommendations.

### **Equality Screening**

- 6 The organisation which has applied for discretionary relief advance equality of opportunity. The recommendations in this report have no impact on the delivery of services by the Council.

### **Background Papers**

- 7 Correspondence with applicants & safeguarding policy.

## **Appendix - Lewes District Council Discretionary Rate Relief Policy**

**Lewes District Council Discretionary Rate Relief Policy*****Overall objectives of the Policy***

This Policy is intended to

- (i) help the Council deliver its priorities and core statutory services
- (ii) help key partners deliver their priorities should they provide funding to award discretionary rate relief
- (iii) be equitable and balance the wider interests of the community with the resources made available from the Council Tax
- (iv) be clear to all of those involved - the organisations applying for relief, Councillors and officers, council taxpayers and any other interested parties
- (v) be based as far as possible on objective criteria rather than subjective judgements about an organisation's suitability for relief
- (vi) be simple to administer given the often minor amounts involved: organisations should not need to go through a complex process to apply for relief, and officers and councillors should not need to spend a substantial amount of time assessing applications
- (vii) offer stability to those organisations receiving relief – organisations should be able to expect that their relief will continue for the medium-term if their circumstances do not change.

***The Policy***

1. The Council will not grant discretionary rate relief in respect of premises occupied by
  - education establishments (schools, colleges, universities, etc)
  - housing associations
2. The Council will not grant discretionary rate relief in respect of premises occupied by animal welfare organisations
3. The Council will limit its rate relief to mandatory rate relief where appropriate in respect of premises used as 'Charity Shops'
4. The Council will only award discretionary rate relief to organisations of which the majority of members, etc live within the Lewes District Council area
5. The residency condition (item 4 above) will be waived in the case of an organisation located close to the boundary of the District
6. The Council will award 20% 'top-up' discretionary rate relief to its key partners which are registered charities
7. The Council will award 20% 'top-up' discretionary rate relief in respect of village halls and community centres which are operated as registered charities

- 8.** The Council will only award 20% 'top-up' relief to those charities which are activity based
- 9.** The Council will only award 20% 'top-up' discretionary rate relief in those cases where the value of the relief is significant in terms of the overall financial resources available to the organisation
- 10.** The Council will not award discretionary rate relief to sports clubs where they are able to achieve CASC status with assistance from the Inland Revenue
- 11.** The Council will not award 20% top-up discretionary rate relief to sports clubs, unless it is essential to their continued operation
- 12.** The Council will not award discretionary relief to those organisations which should be able to register as charities and where they have the capacity to do so.
- 13.** The Council will only award discretionary relief to non-profit making organisations which enable membership and participation from all sectors of the community
- 14.** The Council will refuse to award discretionary relief to an organisation which operates a bar other than where it is ancillary to the organisation's main activities
- 15.** The Council will only award 50% discretionary rate relief in those cases where the value of the relief is significant in terms of the overall financial resources available to the organisation