

## NATIONAL NON DOMESTIC RATING – APPLICATIONS FOR DISCRETIONARY RATE RELIEF

### 1 SUMMARY

- 1.1 This report refers to four applications for Discretionary Rate Relief in accordance with Section 47 Local Government Finance Act 1988.

### 2 INTRODUCTION

- 2.1 Members are reminded that Local Authorities have **Discretionary** power to grant Rate Relief at levels between 1% and 100% to organisations who are not established or conducted for profit. In such cases, any relief granted is funded 75% from the Government's Rate Pool and 25% locally from the Council's General Fund.
- 2.2 In addition, power is given to 'top-up' relief to Registered Charities who by right, are entitled to 80% **Mandatory** Rate Relief. In these cases, any relief granted is funded 25% from the Government's Rate Pool and 75% locally from the Council's General Fund.
- 2.3 The Council's Discretionary Rate Relief policy was reviewed by the former Corporate Resources Sub-Committee on 3 October 2000 (Minute 366/2000), and the recommendations contained in this report take account of the decisions reached.
- 2.4 Discretionary Rate Relief is designed primarily for voluntary and other non-profit making organisations. Legislation describes these organisations as not being established or conducted for profit and whose main objectives are charitable, or are otherwise philanthropic, religious, concerned with education, social welfare, science, literature or the fine arts. It also includes premises used for recreation which includes clubs, societies or other such like organisations.

### 3 ST MICHAEL'S PLAYGROUP, HUNTINGDON CHURCH, TALBOT AVENUE, RAYLEGH

- 3.1 The above playgroup who are a registered charity have since the 1 April 2001 been responsible for the payment of their Business Rate Liability on the above premises.
- 3.2 Being a registered charity, they have, by right, been granted 80% Mandatory Rate Relief and their application now is for 20% 'top up' Rate Relief.

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- 3.3 The Group is financed by a charge of £5.00 per child per session supported by Government vouchers and fund raising events. The main expenditure being staff wages.
- 3.4 Their accounts show they own no major fixed assets and maintain a nominal cash working balance.
- 3.5 The Head of Service in making the recommendation below has taken account of the main objects and purposes of the organisation. Members are also reminded that present Council policy is to provide Discretionary 'top-up' Rate Relief to charities who receive 80% Mandatory Relief where the charities aims is to meet welfare needs within the community.

- Annual Rate Charge 2001/2002 £2,193.00
- 2002/2003 £2,228.70
  
- Registered Charity Yes  
Registration No: 1054550
  
- Discretionary Relief Recommended 20% 'top up' Relief be granted from the 1 April 2001 and from the 1 April 2002 respectively
  
- Financial Implication £663.00 to be borne locally for the granting of Discretionary Rate Relief as above.

**4 FAIRVIEW UNDER 5's PLAYGROUP, FAIRVIEW PAVILION, VICTORIA ROAD, RAYLEIGH**

- 4.1 The above playgroup are also a registered charity who have since the 1 April 2001 been responsible for the payment of the Business Rate Liability on the above premises.
- 4.2 Being a registered charity, they have by right been granted 80% Mandatory Rate Relief and their application now is for 20% 'top up' Rate Relief.
- 4.3 From their accounts it is found that the group is financed by admission fees of £4.90 per child per session, supported by Government vouchers and fund raising events. The main expenditure being staff wages.
- 4.4 They have no major fixed assets and maintain a nominal cash working balance.

4.5 The Head of Service in making the recommendation below has again taken account of the main objects and purposes of the organisation. Members are also reminded that present Council policy is to provide Discretionary 'top-up' Rate Relief to charities who receive 80% Mandatory Relief where the charities aims is to meet welfare needs within the community.

- Annual Rate Charge 2001/2002 £1,569.50  
2002/2003 £1,595.05
- Registered Charity Yes Registration No.  
1029088
- Discretionary Relief Recommended 20% 'top up'  
relief be granted from the 1  
April 2001 and the 1 April  
2002 respectively
- Financial Implication £475 to be borne locally for  
the granting of Discretionary  
Rate Relief as above.

## **5 HULLBRIDGE SPORTS & SOCIAL CLUB, LOWER ROAD, HULLBRIDGE**

5.1 Members are reminded that following an annual review on 7 December 2000 (Minute 417/2000) the 25% Discretionary Rate Relief granted to the Club was withdrawn from 1 April 2001. The reason being that the Club had substantial assets, which included a large bank balance. There was also in excess of 50% of its members who were registered as social members.

5.2 The Club now considers they have a change in circumstances and have submitted a further application for consideration together with their latest set of accounts. From these accounts it is found that during the past two years the club has experienced net losses totalling £24,800. There has also been a substantial reduction in their social membership which has reduced from 51% to 29%.

5.3 The Club still provides considerable sporting and social activities for young people and adults in the local community. These facilities are funded from membership fees, fund raising events and 49.8% of income coming from bar profits.

5.4 The Head of Service in making the recommendation below has taken account of present Council Policy in supporting local clubs, also noting the Clubs recent reduction in balances and the reduction in social membership.

- Current Annual Rate Charge £10,202

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|---|---|
| • Registered Charity                                  | No  |
| • Is membership open to all sections of the community | Yes. Considerable training is given in all sporting activities eg. football, cricket, netball, table-tennis and indoor bowls. |
| • Discretionary Relief                                | Recommended 25% Discretionary Rate Relief be granted from 1 April 2002  |
| • Financial Implication                               | £637.50 to be borne locally for the granting of Discretionary Rate Relief as above  |

## 6 KENT ELMS TENNIS CLUB, AVIATION WAY

6.1 As with the previous case and following the annual Review on 7 December 2000 (Minute 417/2000), the 50% Discretionary Rate Relief was withdrawn from 1 April 2001 as a result of the Club's large capital fund and annual surpluses.

6.2 Following a further application it is now found that the Club, has revised their method of accounting drawing attention to the fact that the Club should have, over many years, made provision for the maintenance costs which will be necessary to their clubhouse, court resurfacing, floodlights etc. These provisions have now been made in their latest set of accounts where £30,331 has been transferred to a Capital Reserve Account to cover such items. This has resulted in a considerable reduction in their balances.

6.3 In submitting a further claim for Discretionary Rate Relief based on their revised accounts the club submits that their aims and objects have not changed and they still provide good standard tennis for all seasoned players and provide off-peak tennis for beginners and juniors.

6.4 The Head of Service in recommending Discretionary Rate Relief as detailed below is now of the opinion that with the adjustment to the Club's accounts which now make provision for capital expenditure, rate relief should once again be allowed to the Club.

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|---|-----------|
| • Annual Rate Charge                                  | £1,485.80 |
| • Registered Charity                                  | No        |
| • Is membership open to all sections of the community | Yes       |

- Discretionary Relief granted                      Recommended 50%  
Discretionary Rate Relief with  
effect from 1 April 2002
  
- Financial Implications                              £186 to be borne locally for  
granting Discretionary Rate  
Relief as above.

## **7 ENVIRONMENTAL IMPLICATIONS**

7.1 None

## **8 RESOURCE IMPLICATIONS**

8.1 If Discretionary Rate Relief is granted in respect of the four cases detailed above, the cost to the General Fund will be £1961.50 in this financial year for which there is budget provision.

## **9 LEGAL IMPLICATIONS**

9.1 Section 47 Local Government Finance Act 1988 provides Local Authorities with the power to reduce or remit Business Rates liability.

## **10 PARISH IMPLICATIONS**

10.1 If Relief is granted it will help to ensure that the facility provided by the applicants remain within the community.

## **11 RECOMMENDATION**

11.1 It is proposed that the Committee Resolves:-

- (1) That 20% Discretionary 'top-up' Rate Relief be granted to the St. Michael's Playgroup and Fairview Under-5's Playgroup with effect from 1 April 2001
- (2) That 25% Discretionary Rate Relief be granted to the Hullbridge Sports & Social Club with effect from 1 April 2002.
- (3) That 50% Discretionary Rate Relief be granted to the Kent Elms Tennis Club with effect from 1 April 2002.

S J Clarkson

Head of Revenue & Housing Management

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**Background Papers:**

Local Government Finance Act 1988  
Application forms from the applicants

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