
NATIONAL NON-DOMESTIC RATING DISCRETIONARY RATE RELIEF

1. SUMMARY

- 1.1 This report refers to *two applications* for Discretionary Rate Relief in accordance with Section 47 Local Government Finance Act 1988.
- 1.2 Members are reminded that Local Authorities have Discretionary powers to grant Rate Relief at levels *between 1% and 100%* to organisations who are not established or conducted for profit.
- 1.3 In addition, power is given to *“top-up”* relief to registered Charities who by right receive 80% Mandatory Rate Relief.
- 1.4 Of the two applications reported, *one is for “top-up” relief* which is funded 25% from the Government’s Rate Pool and 75% locally from the Councils General Fund. The second application is for normal *Discretionary Rate Relief* and any relief is funded 75% from the Government’s Rate Pool and 25% locally from the Councils General Fund.
- 1.5 Members are reminded that the Council’s Discretionary Rate Relief policy was reviewed by the Corporate Resources Sub-Committee on the 3 October 2000 (Minute 366/2000) and the recommendations contained are now used when considering future applications.
- 1.6 *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 objects 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.

2 THE OLIVE TREE CENTRE

33/37 Philpot House, Rayleigh – period 1 July 1999 to 13 November 1999

1st floor, 69 High Street, Rayleigh – period 4 January 2001 to date

- 2.1 The Olive Tree Centre first occupied Philpot House on the 1 July 1999 and then vacated on the 13 November 1999. Further accommodation was then found at 69 High Street, Rayleigh, from 4 January 2001 where the Centre has since remained.

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- Discretionary Relief Recommended 20% “top-up relief” be granted from the 1 July 1999 and from the 7 January 2001 respectively
 - Financial Implication £1,033.67 to be borne locally for the granting of discretionary rate relief

3 ARTS LABYRINTH, ROOM 50, PHILPOT HOUSE, STATION ROAD, RAYLEIGH

- 3.1 The Arts Labyrinth has since the 11 June 1999 occupied the above premises and is applying for *Discretionary Rate Relief*.
- 3.2 From their memorandum of agreement, it is found that they were established in the Rochford area to work throughout the South East and East Anglia to encourage the development of the Voluntary Sector within the area of *leisure time activities*.
- 3.3 Their main terms and objectives is:-
- to provide an educational assessment centre for those less academically capable and to encourage young people to explore the arts during their leisure time.
 - To be a benevolent group for educating and training people in entertainment and leisure.
 - To encourage the exploration of the arts and the opportunity of self-development particularly those at risk from educational and social challenges.
- 3.4 They are a *non-profit making organisation* which is run for the benefit of the Members and those wishing to work towards entry into the leisure and entertainment industry. Membership fees are set at an absolute minimum to allow the sections to function and run projects without being of any expense to the organisers or volunteers. Expenses may be paid to voluntary staff by agreement.
- 3.5 Various venues throughout the area are offered as accommodation which provides working environments for the Work Experience Courses and assessment. A networking system is in operation and is constantly being updated to provide every facility possible. Projects arranged to meet locally where required and the current office at Philpot House is used as a contact base.

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- 3.6 As the group is a non-profit making association and registered as a voluntary group with the Essex County Council, they intend making application for registration as a Charity.
- 3.7 A summary of their accounts has been provided for the period 1st September 1997 until the 28th February 2001 and from this summary, no excessive balances appear to have accrued as a result of their various projects.
- 3.8 The Head of Service in recommending Discretionary Rate Relief as detailed below is of the opinion that the Arts Labyrinth group, being a non-profit making organisation whose objects involve education through the schools and provision of support for certain disadvantaged young people, meets the Council's present criteria for granting Rate Relief.

• Rate charge	1999/2000	£793.12
	2000/2001	£945.08
	2001/2002	£956.75

Registered Charity No

- Discretionary Relief granted Recommended that 50% Discretionary Rate Relief be granted from the 11 June 1999
- Financial Implications In granting 50% Discretionary Rate Relief, the cost to the General Fund will amount to £336.87

4 ENVIRONMENTAL IMPLICATIONS

4.1 None.

5 RESOURCE IMPLICATIONS

5.1 The Resource Implication is as follows.

5.2 If Discretionary Rate Relief is granted, for which there is budget provision, to the applicants reported upon, the cost to the General Rate Fund would be as follows:-

Olive Tree Centre	£1,033.67
Arts Labyrinth	£336.87
TOTAL	<u>£1,370.54</u>

6 LEGAL IMPLICATIONS

- 6.1 Section 47 Local Government Finance Act 1988 provides Local Authorities with the power to reduce or remit the Business Rate Liability.

7 PARISH IMPLICATIONS

- 7.1 If relief was granted, it may help to ensure that the facilities provided by the applicants remain within the community.

8 RECOMMENDATION

It is proposed that the Committee **RESOLVES** that Discretionary Rate Relief be granted as follows:-

- The Olive Tree Centre – 20% (top-up) rate relief from the 1 July 1999 and the 7 January 2001 respectively and
- Arts Labyrinth – 50% Discretionary Rate Relief from the 11 June 1999.

S J Clarkson
Head of Revenue and Housing Management

Background Papers

Local Government Finance Act 1988.
Application forms from the two applicants.

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