

# ITEM 12(a)

## POLICY AND RESOURCES COMMITTEE

29 MARCH 2000

### DISCRETIONARY RATE RELIEF APPLICATION: SECTION 49, LOCAL GOVERNMENT FINANCE ACT 1988

Accountable Officer: Peter Timmins (Treasurer)

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#### 1. Purpose

- 1.1 To consider an application for discretionary rates relief for the period relief under Section 47 of the Local Government Finance Act 1988 cannot be awarded.
- 1.2 To consider delegating powers authorising the Treasurer to grant discretionary rate relief under Section 49 of the Local Government Finance Act 1988 in specific circumstances.

#### 2. Summary

- 2.1 20% Discretionary Rate relief has been awarded to the National Children's Home under delegated powers from 1 April 1999 but there are no delegated powers to allow them relief from 1 April 1997 to 31 March 1999.

#### 3. Recommendations

- 3.1 The Committee is recommended to:
  - (a) allow 20% discretionary rate relief under Section 49 of the Local Government Finance Act 1988 in respect of the National Children's Home's occupation of 91-92 Weavers Hill, Fullers Slade from 1 April 1997 to 31 March 1999; and
  - (b) authorise the Treasurer to allow discretionary rate relief under Section 49 of the Local Government Finance Act 1988 where every condition set out in Paragraph 5.3 of this report is satisfied.

#### 4. **Background**

- 4.1 The Resources Committee agreed a scheme of delegation to the Treasurer for Rate Relief applications at its meeting on 3 December 1997 (Minute R68/98 refers). Applications outside of the delegated scheme require consideration by this Committee.
- 4.2 Where an organisation (such as the National Childrens Home) qualifies for 80% mandatory rate relief this cost is met by the NDR pool. Should the Council grant an additional 20% discretionary relief 25% of the cost of this discretionary relief allowed under Section 47 of the Local Government Finance Act 1988 is met from the Non-Domestic Rating (NDR) pool. The remaining 75% discretionary relief is met by the Council's General Fund Budget. Where discretionary relief is allowed under Section 49 of the Local Government Finance Act 1988, the NDR pool pays 75% of the cost and the Council's General Fund Budget pays the remaining 25%.

#### 5. **Issues and Choices**

- 5.1 National Childrens Home (Action for Children) occupied 91-92 Weavers Hill, Fullers Slade on 1 April 1997. However, their first rate account was not issued until October 1999 because it was not until then that the former occupier (who had continued to pay the rates) informed us the change had occurred.
- 5.2 On receipt of the bill the National Childrens Home (NCH) were prompt in applying for 80% mandatory rate relief and 20% discretionary relief. Mandatory relief has been allowed, as has 20% discretionary relief under delegated powers from 1 April 1999. This is now the earliest date from which discretionary relief under Section 47 of the Local Government Finance Act 1988 can be awarded. However, the Treasurer does not have any delegated powers to allow discretionary relief under Section 49 of the Local Government Finance Act 1988 from 1 April 1997 to 31 March 1999.
- 5.3 91-92 Weavers Hill is used as a drop-in centre. NCH's aim is to provide a safe, stable, consistent environment for children. Where necessary they work individually with families to try to help develop individual skills of parents, which will enable them to cope with their children's difficulties at home more easily. It is established Council policy to allow 20% discretionary rate relief for this type of property. Consequently, it is recommended that 20% discretionary rate relief be granted under Section 49 of the Local Government Finance Act 1988 (Hardship) from 1 April 1997 to 31 March 1999.
- 5.4 To avoid the Committee having to consider similar applications again and to improve efficiency it is also recommended that the Treasurer be given delegated powers to allow discretionary rate relief under Section 49 of the Local Government Finance Act 1988 where all the following conditions are satisfied:

- (a) Discretionary Rate Relief has been allowed to the same organisation for the same property under Section 47 of the Local Government Finance Act 1988;
- (b) for the period in question, discretionary rate relief cannot lawfully be allowed under Section 47 of the Local Government Finance Act 1988;
- (c) there is a legitimate reason for the delay in applying for discretionary rate relief; and
- (d) hardship would occur if discretionary rate relief was not allowed under Section 49 of the Local Government Finance Act 1988 for the period in question.

## 6. **Implications**

### 6.1 Environmental

None.

### 6.2 Equalities

Rate Relief to charitable and other organisations is of key assistance in delivering the Council's Equalities policies.

### 6.3 Financial

It will cost the Council £251.35 to allow this application.

### 6.4 Legal

Power for allowing this discretionary rate relief is contained in Section 49 of the Local Government Finance Act 1988.

### 6.5 Staff and Accommodation

None.

## 7. **Conclusions**

- 7.1 One recommendation is to grant 20% discretionary relief from 1 April 1997 to 31 March 1999. The second recommendation is to extend delegated powers to enable the Treasurer to allow discretionary relief in similar circumstances.

Background Papers: Correspondence from Applicant