

National Non Domestic Rates Discretionary Rate Relief

Corporate Resources OSC 29th July 2014

Gary Muskett

National Non Domestic Rates (NNDR)

Introduction

- LGFA 1988 imposes a statutory duty to administer the billing and collection of NNDR
- LGFA 1988 also gives Councils the power to grant discretionary rate relief (DRR)
- CBC current DRR Policy / Guidance
- Proposal to review our current DRR Policy
- Timetable for our Policy review

National Non Domestic Rates - Background

- What are National Non Domestic Rates (NNDR)
- Administration of NNDR
- Calculation of NNDR
- Reductions and reliefs on rate liability
- Collection and distribution of NNDR to Central Government
- CBC – 7,000 non domestic properties
- CBC - £78m billed annually
- 98.5% collection rate in 2013/14, 99%+ eventually

Rate Relief

- **Mandatory Relief**
- **Types of mandatory relief**
 - Charities – 80% relief
 - Rural businesses – 50% relief
 - Community Amateur Sports clubs – 80% relief
 - Small Business Rate Relief – up to 50%
- **Discretionary Relief**
- **Types of discretionary relief**
 - “Top Up” Charity relief – 20% relief
 - Not for profit & charitable organisations – up to 100% relief
 - Sports clubs – up to 100% relief
 - Rural businesses – up to 100% relief
 - Hardship relief – up to 100% relief
 - Retail relief – up to £1,000

Current awards of rate relief in CBC

Summary of Mandatory Awards

| | |
|---|----------------------|
| 387 registered charities receiving 80% mandatory relief | £5,897,403.16 |
| 29 rural businesses receiving 50% mandatory relief | £42,450.13 |
| 10 sports clubs receiving mandatory relief as CASC's | £111,881.84 |
| 426 awards of mandatory relief | £6,051,735.13 |

Summary of Discretionary Awards

| | |
|--|--------------------|
| 180 registered charities receive "Top Up" Charity Relief | £251,159.60 |
| 92 not for profit or charitable organisations receive up to 100% | £322,205.23 |
| 22 rural businesses receive up to 100% relief | £40,260.15 |
| 294 awards of discretionary relief | £613,624.98 |

Small Business Rate Relief

| | |
|---|----------------------|
| 2,343 small businesses receiving relief (Funded by Central Government) | £4,319,088.57 |
|---|----------------------|

Retail Relief (Introduced W.E.F 1/4/14)

| | |
|--|----------------------|
| 1,161 retail businesses awarded relief (Funded by Central Government) | £1,029,268.55 |
|--|----------------------|

| | |
|--|-----------------------|
| Grand Total of Rate Relief awarded in 2014/15 | £12,013,717.23 |
|--|-----------------------|

Scoring Criteria

- Applications for DRR are considered and scored using a points based criteria
- Fundamental criteria – Awards of DRR must be in the interests of the CTAX payers of CBC
- Key considerations of the scoring criteria are:
 - Charities – is the charity affiliated to the local area and what level of reserves are held by the charity?
 - Sports Clubs - % of members that are resident in CBC, % of active members, level of reserves/ savings, if the club runs a licensed bar, does the club have a youth policy and is the club accessible to all the community?
 - Rural businesses – gross profit as a % of turnover and the importance of the business to the local community

Administration & Next Steps

- Application Forms
- Supporting documentation – 3 years accounts
- Decision making and Appeals
- Audit – NNDR3
- Next steps
 - Consultation
 - OSC – detailed paper 23rd Sept 2014
 - Executive – 13th Jan 2015