



London Borough of Enfield

Report Title	Discretionary Rate Relief Policy
Report to	Cabinet Member for Finance & Procurement, Cllr Tim Leaver, in consultation with Cabinet Member for Public Spaces, Culture & Local Economy, Cllr Chinelo Anyanwu
Cabinet Member	Cllr Tim Leaver, Cabinet Member for Finance & Procurement
Executive Director / Director	Fay Hammond, Executive Director of Resources
Report Author	Heather Adeyemi
Ward(s) affected	All
Key Decision Number	5719
Classification	Part 1 Public

Purpose of Report

1. To seek approval from the Cabinet Member to adopt and implement the guidelines in the attached discretionary business rate relief policy in relation to applications for this relief in a consistent manner in the whole of the borough.

Recommendations

1. Approve and adopt the discretionary business rate relief policy which provides guidance for officers in assessing applications for this rate relief in a consistent manner.

Background and Options

2. Section 47 of The Local Government Finance Act 1988 governs the way in which discretionary rate relief should be granted. Registered charities are entitled to receive 80% mandatory rate relief and Enfield Council as a Billing Authority has power to grant discretionary relief of up to a further 20%. Non-profit making organisations can be given up to 100% discretionary relief.
3. The Council currently awards discretionary rate relief on a case-by-case basis referring to the government guidance regarding discretionary rate relief. This relief is awarded to 118 organisations and totals just over £419,000. The purpose of this report is to set out a policy on how this discretionary relief is awarded. This will provide clarity for businesses applying for this relief. Currently the breakdown of the organisations that are in receipt of this relief are set out in the table below:

Type	No of organisations	Discretionary
Scouts /Guides	30	£17,272.84
Local Charities/Charity shops	30	£50,867.08
Community Interest Companies	2	£19,860.20
Sports Clubs	15	£189,268.79
Community Organisations	10	£23,000.95
Education	6	£68,243.10
Religious (Churches, Mosques, Synagogues)	9	£18,029.54
Other	16	£32,656.20
TOTAL	118	419,198.70

4. The cost of this relief is borne by the Council (30%) central government (33%) and the GLA (37%) in the same ratios as business rates.

The aim of this discretionary relief is for the Council to provide support (via a reduced business rate bill) for charities and other not-for-profit organisations

that are supporting the priorities of the Council and community groups that support residents and their families.

5. The guidelines in this policy are based on the Department of Levelling Up, Housing and Communities (formerly the Office Deputy Prime Minister) guidelines to Local Authorities on matters to consider in exercising discretion. The guidelines have taken into account the Council's need to consider the revenue budget reductions and the general shift where charities and community groups take on responsibility for services traditionally provided by the local authority.

The policy guidance considers the following when awarding discretionary relief (full policy is in appendix A):

- Which aspects of the Council's priorities would be met by the award of discretionary rate relief.
 - Whether the ratepayer is in direct competition with other ratepayers in the immediate vicinity or outside the Borough.
 - The benefit the ratepayer brings to the residents of the Borough
 - The cost to the Council Tax payer.
 - Whether the ratepayer is a local organisation, a national organisation or a branch of a national organisation.
 - Membership costs.
 - Whether the organisation encourages representation from disadvantaged or under-represented groups in the community.
 - Whether membership is determined by existing members.
 - Whether the organisation provides training or education for its members.
 - Whether the organisation or the facilities provided are being funded largely by self-help rather than relying on external funding.
 - Whether the organisation operates a licensed bar.
6. The rating regulations require a Billing Authority to give one year's written notice if the level of discretionary rate relief is to be reduced or to be discontinued. Such decisions can only take effect from the commencement of a financial year. All organisations currently in receipt of discretionary rate relief were given written notice before 31st March 2023 that the relief they are currently receiving is to be withdrawn with effect from 1st April 2024. This enables any reduction in relief or withdrawal of relief resulting from the implementation of the policy to be implemented with effect from 1 April 2024.
 7. The organisations were informed that the reason for the notification was that a review of relief was being carried out. They were also advised if it was decided following the review, that the rate relief they would receive remained at the current levels, the decision would have effect from 1 April 2024. This would result in the organisation concerned having no change to their rate relief.
 8. All applications will be assessed against the same set of criteria set out in the policy to determine the level of relief to be awarded.

Preferred Option and Reasons for Preferred Option

9. The preferred option follows the government guidance to local authorities for considering applications for discretionary rate relief and ensures that the Councils priorities are considered through the application process.
10. The Council could have considered providing no discretionary support; however, this proposal reflects the importance of the charitable and voluntary sector in our communities and therefore this option was discarded.

Relevance to Council Plans and Strategies

11. The Council's corporate vision and priorities are considered as applicants must demonstrate how they support and link into the Councils priorities.
12. The size and area of operation of the organisation as well as the purpose for which the specific premises that relief is applied for are also considered in making an assessment.

Financial Implications

13. The cost of Discretionary Rate Relief is borne by with the Council (30%) Central Government (33%) and the GLA (37%) in the same ratios as business rates.
14. The current cost of the Discretionary Rate Relief was provided for as part of the 2023/24 Business Rates income when calculating the amount due to the Council.
15. Any new discretionary rate relief awarded would have an impact on future business rates income.

Legal Implications

16. The main provision conferring the discretionary power on billing authorities to grant rate relief appears in Section 47 of the Local Government Finance Act 1988 (as amended by section 69 of the Localism Act 2011).
17. The Council has a duty to carefully consider every application on its merits, taking into account the contribution that the organisation makes to the amenities of the area. There is no statutory appeal process against any decision made by the Council on this type of application. However, as with any decision of a public authority, decisions can be challenged by Judicial Review.
18. The Council must bear in mind that it must give at least one year's notice of a decision to revoke a decision to grant discretionary rates relief or to increase the amount of relief granted. That revocation or variation must take effect at the end of a financial year (Non-Domestic Rating

(Discretionary Relief) Regulations 1989 (SI 1989/1059)). It has been confirmed in this report that the Council has complied with this legal requirement as a notice has been served.

19. The Council must take into account the Public Sector Equality Duty and the requirement to have due regard to the need to eliminate discrimination and advance equality of opportunity and foster good relations between persons who share certain protected characteristics and those who do not, which will involve an analysis and assessment of the equality implications of the proposals. The 'protected characteristics are:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion and belief
- Sex
- Sexual orientation
- Care experience (this not currently on the list of protected characteristics in the Equality Act 2010)

20. The Council has completed an initial Equality Impact assessment which is provided with this report.

Equalities Implications

21. Please see the Equalities Impact Assessment Appendix B

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Appendices

Appendix A - Discretionary Rate Relief Policy
Appendix B – Equalities Impact Assessment

Background Papers

ODPM Guidance on Rate Relief for Charities and Other Non-Profit Making Organisations December 2002

