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**REPORT TO: MORAY COUNCIL ON 29 JUNE 2022**

**SUBJECT: APPLICATION FOR DISCRETIONARY NON-DOMESTIC RATES  
RELIEF: ELGIN SPORTS COMMUNITY TRUST**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND  
FINANCE)**

**1. REASON FOR REPORT**

- 1.1 To consider Elgin Sports Community Trust's application for a discretionary award of Non-Domestic Rates relief for its premises.
- 1.2 This report is submitted to the committee in terms of Section III (B) (11) of the local authority's Scheme of Administration relating to the administration of the levy, collection, payment and recovery of Non-Domestic Rates.

**2. RECOMMENDATION**

**2.1 The Council is invited to consider:**

**(i) the application, on its individual merits, from Elgin Sports Community Trust for an award of discretionary Non-Domestic Rates relief for its premises at The Gleaner Arena, Boroughbriggs Road, ELGIN, IV30 1AP; and**

**(ii) if such an award is made, the amount of rates relief to be awarded, up to a maximum of twenty *per cent* of the net rates bill.**

**3. BACKGROUND**

- 3.1 A Scottish charity which occupies a property in furtherance of its charitable objectives is entitled to a mandatory award of eighty *per cent* rates relief. Only charities which are registered with the Office of the Scottish Charity Regulator (OSCR) are entitled to an award of this relief.
- 3.2 In terms of Section 4(5) of the Local Government (Financial Provisions *etc.*) (Scotland) Act 1962 rating authorities have powers to grant additional discretionary rates relief in respect of premises:
- (a) occupied by charities and used for charitable purposes;
  - (b) occupied for the purposes of organisations which are not established for

profit and whose principal aims are charitable and are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts; or

- (c) occupied for the purposes of a club, society or other organisation not established or conducted for profit and which are wholly used for the purpose of recreation.

- 3.3 Members have previously delegated resolution of some applications for discretionary relief to officers. At a meeting of the former Policy and Resources committee on 23 March 2005 a decision was taken to delegate authority to determine applications from organisations which promote the welfare of vulnerable persons and applications from groups which benefit the community.
- 3.4 At a meeting of the former Policy and Resources committee on 12 February 2019 Members decided that the local authority would no longer make an award of discretionary rates relief to charity shops. In light of the financial constraints facing the Council, there may be a need to review more widely any further exclusions from discretionary rates relief.
- 3.5 The application for discretionary rates relief from Elgin Sports Community Trust lies outwith the powers delegated to the Head of Governance, Strategy and Performance at 9 (31) of the local authority's Scheme of Delegation. Its disposal reverts, therefore, to this committee. An early decision by Council will enable the annual Non Domestic Rates bill for 2022/23 to be issued timeously to this organisation.

#### **Applicant**

- 3.6 The Elgin Sports Community Trust is a registered Scottish Charity (SC047984). Its objects are to the advancement of public participation in sport.
- 3.7 The Elgin Sports Community Trust currently occupies premises at The Gleaner Arena, Boroughbriggs Road, ELGIN, IV30 1AP, which is described on the Valuation Roll as a Sports Ground.
- 3.8 These premises are in charitable occupation, so there is an entitlement to eighty *per cent* mandatory rates relief.

#### **Financial Cost of Relief**

- 3.9 The rateable value of the premises at The Gleaner Arena, Boroughbriggs Road, ELGIN, IV30 1AP, for which an award of discretionary rates relief is sought, is £35,750.
- 3.10 The Elgin Sports Community Trust has occupied these premises since 26 July 2021 and has already received an award of eighty *per cent* mandatory rates relief.
- 3.11 The net 2021/22 Non-Domestic Rates payable for the period The Elgin Sports Community Trust has occupied the premises at The Gleaner Arena, Boroughbriggs Road, ELGIN, IV30 1AP, for which an award of some discretionary rates relief is sought is £2,390.06.

- 3.12 It should be noted that amount stated in 3.3.8, above, relates to only part of that year.
- 3.13 The net 2022/23 Non-Domestic Rates payable in the coming year by The Elgin Sports Community Trust for the premises at The Gleaner Arena, Boroughbriggs Road, ELGIN, IV30 1AP, for which an award of some discretionary rates relief is sought is £3,560.76.
- 3.14 The cost of making any grant of discretionary rates relief would jointly fall on the Scottish Non-Domestic Rates 'pool' and Council Tax-payers in Moray. The national pool would fund seventy-five per cent of such an award and the balance would accrue as a financial burden to the local authority.
- 3.15 The cost to the local authority's Council Tax-payers of funding the maximum award of discretionary rates relief would be £1,487.69 (£597.51 being attributable to the 2021/22 financial year; £890.18 being attributable to 2022/23).
- 3.16 The Council has awarded discretionary rates relief to other sports organisations in Moray. Elgin Sports Community Trust's income for 2021 was £204,000 per OSCR returns.

#### **4. SUMMARY OF IMPLICATIONS**

**(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

No council/community planning priority implications for the local authority arise from the content of this report.

**(b) Policy and Legal**

The Council's policy on discretionary Non Domestic Rates relief has evolved over time, as indicated in paragraphs 3.3 and 3.4 in this report. A further review of the policy is proposed and this will be brought forward as part of the financial planning process for the 2023/24 budget. Meantime a decision on this application is required in order to process the NDR liability for 2022/23.

**(c) Financial implications**

*Corporate Management Team Additional Expenditure Warning*

*When the Council approved the budget for 2022/23 on 22 February 2022 (paragraph 3 of the Minute refers) it balanced only by using reserves and one-off financial flexibilities. The indicative 3 year budget showed a likely requirement to continue to make savings in the order of £20 million in the next two years. All financial decisions must be made in this context and only essential additional expenditure should be agreed in the course of the year. In making this determination the committee should consider whether the financial risk to the Council of incurring additional expenditure outweighs the risk to the Council of not incurring that expenditure, as set out in the risk section below and*

*whether a decision on funding could reasonably be deferred until the budget for future years is approved.*

If Members choose to exercise their discretionary powers to make an award of rates relief, this would create an ongoing financial liability which would accrue against the revenues raised in future years from Council Tax-payers. If the maximum amount of relief was awarded this would create a gross recurring cost of approximately £900 *per annum* in future years, which would increase in line with any increase in the rates poundage set by the Scottish Government.

**(d) Risk Implications**

No risk implications for the local authority arise from the content of this report.

**(e) Staffing Implications**

No staffing implications for the local authority arise from the content of this report.

**(f) Property**

No property implications for the local authority arise from the content of this report.

**(g) Equalities/Socio Economic Impact**

No equalities implications for the local authority arise from the content of this report.

**(h) Climate Change and Biodiversity Impacts**

No equalities implications for the local authority arise from the content of this report.

**(i) Consultations**

No consultation has been carried out in the preparation of this report.

**5. CONCLUSION**

- 5.1 This report has laid before Members of this committee the application by The Elgin Sports Community Trust for an award of discretionary Non-Domestic Rates relief for its premises and the cost to the local authority of funding such an award.**

Author of Report: James Taylor, Taxation Manager.

Background Papers:

Ref: SPMAN-1293228629-675