



REPORT TO: POLICY AND RESOURCES COMMITTEE ON 2 OCTOBER 2018

SUBJECT: APPLICATION FOR DISCRETIONARY NON-DOMESTIC RATES REMISSION: FORRES AREA COMMUNITY TRUST

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 To consider Forres Area 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 (A) (8) of the Council's Scheme of Administration relating to the administration of the levy, collection, payment and recovery of Non-Domestic Rates.
- 1.3 This application for discretionary rates relief lies outwith the powers delegated to the Head of Legal and Democratic Services at 8 (30) of the council's Scheme of Delegation. It reverts, therefore, to the discretion of the Committee.

2. RECOMMENDATIONS

2.1 The Committee is invited to consider:

- (i) the application, on its individual merits, from Forres Area Community Trust for an award of some discretionary Non-Domestic Rates relief for its premises at Town Hall, High Street, Forres;
- (ii) if an such an award is made, the amount of rates relief to be awarded, up to a maximum of twenty *per cent* of the rates bill; and
- (iii) make a policy decision which may be used in the disposal of any future application for a discretionary award of Non-Domestic Rates relief by a similar group which has taken responsibility *via* Community Asset Transfer for a hall within their community.

3. BACKGROUND

3.1 Legal Framework

- 3.1.1 A registered 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 this relief.
- 3.1.2 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.

3.2 Applicant

- 3.2.1 Forres Area Community Trust is a registered Scottish Charity (SC044953). Its objects are to advance citizenship and community development, to advance and protect the environment, culture and heritage, and to advance education and lifelong learning for the benefit of the general public.
- 3.2.2 Forres Area Community Trust currently occupies premises at Town Hall, High Street, Forres, in which it conducts community development, social welfare, and educational classes, consultations, meetings and workshops.
- 3.2.3 These premises are in charitable occupation, so there is an entitlement to eighty *per cent* mandatory rates relief.

3.3 Financial Cost of Relief

- 3.3.1 The rateable value of the premises at Town Hall, High Street, Forres, for which an award of some discretionary rates relief is sought is £38,250.
- 3.3.2 Forres Area Community Trust has occupied these premises since 2 July 2018 and has already received an award of eighty *per cent* mandatory rates relief.
- 3.3.3 The net 2018-19 Non-Domestic Rates payable for the period Forres Area Community Trust has occupied the premises at Town Hall, High Street, Forres, for which an award of some discretionary rates relief is sought is £2,746.45.

- 3.3.4 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 any such award and the remaining balance would accrue as a financial burden to the council and would be funded directly by local Council Tax-payers.
- 3.3.5 The cost of making the maximum award of discretionary rates relief for the 2018-19 which would be borne by Moray's Council Taxpayers would be £686.61, the balance being borne by the national Non-Domestic Rates 'pool'.

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.

(a) Policy and Legal

If Members choose to make a policy decision in regard to future applications for a discretionary award of rates relief by similar organisations, as sought in point 2.1.(iii), above, this will result in no similar applications being brought before this committee.

(b) Financial Implications

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 recurring cost of approximately £687 *per annum*, which would increase in future years in line with any increase in the rates poundage set by the Scottish Government.

(c) Risk Implications

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

(d) Staffing Implications

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

(e) Property

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

(f) Equalities/Socio Economic Impact

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

(h) 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 Forres Area Community Trust for an award of discretionary Non-Domestic Rates relief for its premises and the cost to the Council of making such an award.**
- 5.2 It also seeks to obtain from Members a policy decision which may be applied to future applications for a discretionary award of rates relief by similar organisations.**

Author of Report: James Taylor, Taxation Manager (ext. 3160).
Background Papers
Ref: JGT/LJC/