

Report to Cabinet

Thursday, 25 January 2024

By the Cabinet Member for Finance and Resources

DECISION REQUIRED



**Horsham
District
Council**

Not Exempt

2024/25 Business Rates Discretionary Charitable Relief

Executive Summary

This report provides Cabinet with a recommendation not to change the existing Discretionary Rate Relief scheme for charities and not for profit organisations. The current scheme grants charitable relief up to 100% for eligible organisations.

Recommendations

That the Cabinet is recommended:

- i) To refer the Discretionary rate relief scheme for 2024/25 (“the Scheme”) as detailed in the appendix to full Council for approval and adoption; and
- ii) To delegate the award of discretionary relief, in accordance with the Scheme, to the Director of Resources in consultation with the Cabinet Member for Finance and Resources.

Reasons for Recommendations

- i) Discretionary rate relief is an annual scheme and therefore require an annual review and approval.

Background Papers: None

Wards affected: All

Appendix: HDC Discretionary Rate Relief Policy 2024/25

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Background Information

1 Introduction and background

- 1.1 Horsham District Council provides discretionary rate relief to charities and not for profit organisations rate relief under s47 of Local Government Finance Act 1988.
- 1.2 The scheme should be reviewed and authorised annually by Cabinet even when no changes are proposed to the scheme.

2 Relevant Council policy

- 2.1 The charities and voluntary organisations that will benefit from this change support the Council's objectives to support people and communities.

3 Details

- 3.1 Horsham's Discretionary rate relief scheme provides financial support to charitable organisations and not for profit organisations by reducing their non-domestic rate liability by up to 100%. For charitable organisations this is by means of a top up to their entitlement of 80% mandatory charitable relief and for not for profit organisations discretionary relief of up to 100% may be applied to the rate account.
- 3.2 The Non-Domestic Rating Act 2023 has removed the statutory restriction on the backdating of retrospective applications. The 2024/25 scheme stipulates that relief will only be awarded from the start of the financial year in which the application was submitted except in exceptional circumstances where it may be backdated where the ratepayer can demonstrate good cause for not submitting the application earlier.
- 3.3 The recommendation of this report is that the current scheme is not changed for 2024/25 with the exception of the amendment outlined in 3.2 above.

4 Next steps

- 4.1 The scheme will be implemented in the annual Business Rates bills issue in March for payment in 2024/25.

5 Views of the Policy Development Advisory Group and outcome of consultations

- 5.1 This policy was presented to the Finance & Resources PDAG on 10 July 2023. The Councillors agreed that the scheme remained affordable for the Council and was necessary to help support the charitable and not for profit organisation within the district.
- 5.2 The Monitoring Officer and the Director of Resources have been consulted to ensure legal and financial probity and their comments included within the report.

6 Other courses of action considered but rejected

- 6.1 Horsham District Council has the authority to reduce the amount of financial support awarded through this scheme. However, this course of action was rejected because

of the need to continue to support charities and not for profit organisations during this time of economic uncertainty.

7 Resource consequences

7.1 The policy has not changed, so no impact is expected on the cost of the scheme.

8 Legal considerations and implications

8.1 The legal authority for the award of Discretionary Rate comes from S47 of Local Government Finance Act 1988.

9 Risk assessment

9.1 As the policy is not changing, there is negligible risk.

10 Procurement implications

10.1 There are no procurement implications stemming from the recommendation.

11. Equalities and Human Rights implications / Public Sector Equality Duty

11.1 No significant changes are proposed to the current Discretionary Business rates relief scheme, so there should be change to the implication on equalities or human rights.

12 Environmental implications

12.1 There are no environmental implications arising from this report.

13 Other considerations

13.1 There are no implications on GDPR on the application of the scheme. There are no implications for crime and disorder.