



PARTNERSHIP AND RESOURCES POLICY DEVELOPMENT AND SCRUTINY PANEL

DISCRETIONARY NON DOMESTIC RATES RELIEF SCHEME

REPORT BY HEAD OF FINANCE AND PROPERTY SERVICES

A. PURPOSE OF REPORT

To inform the Panel of the criteria relating to the current Discretionary Non Domestic Rates Relief Scheme in relation to charitable organisations and those who are assisting in the delivery of the Anti-Poverty Strategy.

B. RECOMMENDATION

It is recommended that the Panel:

1. Notes that on 20 November 2018 the Council resolved that officers bring a report to this Panel in relation to the criteria attaching to the Discretionary Rates Relief Scheme in West Lothian and its application to charitable organisations in general and those assisting delivering the Anti-Poverty Strategy.
2. Notes and considers the following recommendations which are intended to be submitted to the Council Executive on 26 February 2019.

The current Discretionary Non Domestic Rates Relief Scheme is amended from 1 April 2018 to include:

- A 20% "top up" relief for those organisations registered as a Scottish charity and with the Financial Conduct Authority as a Community Development Financial Institution whose charitable objects include the prevention or relief of financial hardship through the provision of affordable personal loans to financially excluded individuals.
- A 20% "top up" relief for Citizens Advice Bureau West Lothian.

C. SUMMARY OF IMPLICATIONS

I	Council Values	Focusing on our customers' needs; being honest, open and accountable; making best use of our resources.
II	Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)	<p>Discretionary Non Domestic Rates Relief Scheme.</p> <p>The Local Government (Financial Provisions etc.) (Scotland) Act 1962 gives the council the power to award discretionary relief of rates to certain organisations.</p>

III	Implications for Scheme of Delegations to Officers	None.
IV	Impact on performance and performance Indicators	None.
V	Relevance to Single Outcome Agreement	None.
VI	Resources - (Financial, Staffing and Property)	The existing annual cost to the council is approximately £170,000, which is provided for in the current revenue budget. The changes to the scheme will cost just under £2000 in 2018/19 and this will be met from the existing revenue budget.
VII	Consideration at PDSP	The report is being presented to the Panel prior to reporting to the Council Executive.
VIII	Other consultations	Anti-Poverty and Welfare Advice Manager.

D. TERMS OF REPORT

D1 Background

West Lothian Council is responsible for the administration of Non Domestic Rates as the rating authority. Relief is available to ratepayers under both mandatory and discretionary schemes and the council is required to determine a scheme for discretionary relief.

The Local Government (Financial Provisions etc) (Scotland) Act 1962 provides for discretionary rate relief to be given to:

- Registered Scottish charities where the ratepayer is entitled to 80% mandatory relief,
- Organisations not established or conducted for profit, and
- Clubs or societies not established or conducted for profit.

Properties occupied by local authorities, except as trustees, are specifically excluded from relief.

A non-profit making organisation is one which is established on a not for profit basis and each of its main objects are either charitable, otherwise philanthropic, religious or concerned with education, social welfare, science, literature or the fine arts.

A club is one which is wholly or mainly used for the purposes of recreation.

D2 Current Scheme

The current scheme was amended following the Council meeting on 20 November 2018 to provide 100% relief from rates for Foodbanks. The current scheme is effective from 1 April 2018 and is set out in appendix 1.

A detailed list of organisations that currently receive discretionary non domestic rates relief is set out in appendix 2. In summary, the scheme provides rates relief to the following category of organisation:

Category	No. of Accounts	Mandatory Relief	Discretionary Relief	Total Relief
Scottish Registered Charities	132	80%	20%	100%
Clubs/societies with a licence to sell alcohol	1	Nil	80%	80%
Clubs/societies without a licence to sell alcohol	17	Nil	100%	100%
British Legion/Miners Welfare	1	Nil	80%	80%
Community Interest Companies	3	Nil	100%	100%
Credit Unions	2	Nil	100%	100%
Sports Clubs	51	Nil	100%	100%

The council funds 25% of the cost of the scheme with the remaining 75% being borne by the rates pool, except in the case of sports clubs where the total cost is borne by the rates pool. The cost to the council of applying the existing scheme is around £170,000 per annum, which is provided for in the annual revenue budget.

D3 Relationship Between Current Scheme and Organisations Assisting in the Delivery of the Anti-Poverty Strategy

There are a number of key partners assisting in the delivery of the Anti-Poverty Strategy, all of whom receive a level of relief from rates through mandatory and/or discretionary relief.

Discretionary Relief (100%)

The following key partners receive 100% discretionary relief under the current scheme:

- West Lothian Credit Union

Mandatory and Discretionary Relief (100%)

The following key partners receive 80% mandatory relief as a Scottish registered charity and 20% discretionary relief under the current scheme:

- West Lothian Foodbank
- The School Bank West Lothian
- Home-Start West Lothian
- Open Door Accommodation Project
- The Larder

Mandatory Relief (100%)

The following key partners receive 100% mandatory relief under the Small Business Bonus Scheme:

- West Lothian Financial Inclusion Network
- The Bridge Community Project

Mandatory Relief (80%)

The following key partners receive 80% mandatory relief as a Scottish registered charity:

- Weslo Housing Management
- Almond Housing Association
- Citizens Advice Bureau West Lothian
- Five Lamps Trading Ltd (Conduit Scotland)

D4 Proposed Amendment to Current Scheme

It is proposed that the current scheme be amended from 1 April 2018 to provide a 20% discretionary relief top up to an 80% mandatory relief entitlement as a Scottish registered charity for:

- Organisations who are a Community Development Financial Institution (CDFI) registered with the Financial Conduct Authority (FCA) and whose charitable objects include the prevention or relief of financial hardship through the provision of affordable personal loans to financially excluded individuals.
- Citizens Advice Bureau West Lothian

The additional cost of just under £2000 in 2018/19 can be met from the existing revenue budget.

E. CONCLUSION

The proposed amendment to the current discretionary non domestic rates relief scheme will allow the council to continue to assist those organisations previously targeted as well as targeting other partners assisting in the delivery of the Anti-Poverty Strategy.

F. BACKGROUND REFERENCES

None.

Appendices/Attachments:

Appendix 1: Discretionary Non Domestic Rates Relief Scheme

Appendix 2: Organisations Receiving Discretionary Non Domestic Rates Relief

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Date of meeting: 1 February 2019