

EAST HERTS COUNCIL

EXECUTIVE - 25 OCTOBER 2016

REPORT BY EXECUTIVE MEMBER FOR FINANCE AND  
SUPPORT SERVICES

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DISCRETIONARY RATE RELIEF POLICY

WARD(S) AFFECTED: ALL

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**Purpose/Summary of Report**

- To determine a policy for Discretionary Rates Relief

<b><u>RECOMMENDATIONS FOR EXECUTIVE: that:</u></b>	
<b>(A)</b>	<b>the recommendations of the Corporate Business Scrutiny Committee be received; and</b>
<b>(B)</b>	<b>the revised Discretionary Rates Relief policy as now submitted, be approved.</b>

1 Background

- 1.1 The procedure for granting discretionary rates relief (DRR) requires updating to reflect previous non key decisions and to ensure that the level and type of relief being granted is consistent with the Council's objectives.
- 1.2 The current procedure requires the authority to periodically determine those groups of organisations which are eligible for discretionary relief, and enables officers to administer those applications. Applications not meeting the criteria or relating to other categories of relief are considered as individual non-key decisions.
- 1.3 A report was taken to Corporate Business Scrutiny on 11 October 2016 which detailed the background to DRR, the current policy and procedures and the potential areas for change.

1.4 CBS were happy to recommend the report and policy to the Executive.

## 2 Report

2.1 The attached policy and procedure document refreshes the list of organisations that the Council currently pre approves for awards of discretionary rate relief and the percentage of relief granted in each circumstance.

2.2 The policy also details the process to be followed in applying for these awards, particularly those which require non-key decisions, and those which officers are able to authorise.

2.3 The level of relief granted to each category detailed in the policy on pages 11 to 13, was last reviewed in 2011. It is appropriate to review the level of award periodically to ensure that it is consistent with the Council's objectives.

### 2.3.1 Discretionary Charitable Relief.

This category of application receives 80% mandatory relief, to which the Council contributes 40% of the cost. The DRR provides for a further 20% top up relief, to which the Council also contributes 40%.

The discretionary relief (20% of the liability) could be reduced for all applicants or a different percentage awarded to different groups of applicants.(up to 20% maximum)

### 2.3.2 Discretionary Rural Relief

This category of application receives 50% mandatory relief, to which the Council contributes 40% of the cost. The DRR provides for a further 50% top up relief, to which the council also contributes 40%. (Up to 50% maximum)

The discretionary relief (50% of the liability) could be reduced for all applicants or a different percentage awarded to different groups of applicants

### 2.3.3 Discretionary Charitable Relief. –non mandatory relief cases

This category of applicant are not eligible for mandatory relief, and discretionary relief is currently granted at 50% or 75% of the

liability dependent on type of organisation. The Council contributes 40%.

This relief could be increased (up to 100% maximum) or reduced. Changes in the level of relief will affect the Council by 40%, HCC by 10% and central government by 50%

- 2.3.4 All other relief categories except those fully funded by central government cost the Council 40%.
- 2.3.5 In 2015/16 £315k was granted in discretionary reliefs (excluding those fully funded by central government), which cost the Council £126k.
- 2.4 The proposed policy and procedure are shown at **Essential Reference Paper B**
- 3. Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background papers

None

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