

NORTH LINCOLNSHIRE COUNCIL

**CORPORATE SERVICES
CABINET MEMBER**

**REDUCTION OR REMISSION OF RATES
SECTIONS 49 LOCAL GOVERNMENT FINANCE ACT 1988**

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To determine level of National Non-Domestic Rate Relief to be allowed, on the grounds of hardship, to ratepayers in North Lincolnshire.
- 1.2 The key points in this report are as follows:
- New rate relief applications on the grounds of hardship have been received and the recommendation of the level of relief.
 - The proposed level of rate relief and the cost to the council, a total of £369.85 is shown in Appendix A

2. BACKGROUND INFORMATION

- 2.1 Section 49 of the Local Government Finance Act 1988, gives a billing authority discretion to reduce or remit the payment of rates where an authority is satisfied that the ratepayer would sustain hardship if it did not do so, and is reasonable for the authority to do so having regard to the interests of its local charge/taxpayers.
- 2.2 Of any reduction or remittance of rates, 75 per cent can be offset against the authority's payment into the non-domestic rate pool. The remaining 25 per cent must be met from the authority's general fund.
- 2.3 It is necessary to consider all applications for rate relief. It is the policy to request ratepayers to submit relevant information to support their application.

3. OPTIONS FOR CONSIDERATION

- 3.1 The attached schedule, appendix A, shows four new applications.

- 3.2 The recommended level of discretionary relief, and the cost to the council is shown on the attached schedule, Appendix A.
- 3.3 The applications will be available at this meeting for inspection by the Cabinet Member. This will enable the Cabinet Member to review in detail, if required, any suggestion set out in the schedule.

4. ANALYSIS OF OPTIONS

- 4.1 Members have the option to consider each case on its merits and change the level of relief from that recommended in this report. To award the recommended relief will ensure fairness and be consistent with decisions made on previous applications.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

- 5.1 Financial
If the decision is to award the recommended level of hardship relief in each case, it is estimated the additional amount granted will be £369.85. The budget provision for rate relief for 2009/10 is £82,000.00, of which £54,734.41 has already been awarded on the existing charity and rural relief cases. The awarding of relief to the applicants listed on the attached schedule will increase the total cost to the council to £55,103.96.

6. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 –CRIME AND DISORDER, RISK AND OTHER)

- 6.1 The Non-domestic rate administration and collection service is a statutory obligation and considerations of rate relief meet the legislation requirements.
- 6.2 Applications are considered and encouraged from all different organisations.
- 6.3 If relief is not granted there is a risk businesses could cease to trade resulting in lack of services and unemployment.

7. OUTCOMES OF CONSULTATION

- 7.1 No consultation is required.

8. RECOMMENDATIONS

- 8.1 To award the level of rate relief to each applicant as set out in the attached schedule to this report.

SERVICE DIRECTOR FINANCE

Pittwood House
Ashby Road
SCUNTHORPE
North Lincolnshire
DN16 1AB
Author: G Twidale
Date: 11 April 2009

Background Papers used in the preparation of this report:

Local Government Finance Act 1988
Application letters and documentation

Appendix A

Ratepayer	Property Address	Reference	Relief Applied for £	Suggested Relief £	Amount Borne by NLC £
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G J Sanders	Harrier Road Barton on Humber	1399029492	865.83	Nil	0.00
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The ratepayer has suffered from a serious illness, during which time he got into financial difficulties. His poor health means he is unable to run his business efficiently. The business continues to operate and small business relief has been awarded to cover 50 per cent of the rate liability. An offer of payment to clear the arrears has been received.

It is recommended no relief is awarded in line with previous decisions not to award relief to businesses that cease, or consider ceasing trading due to it unable to make a profit.

M Wilson	Frodingham Road Scunthorpe	1399032508	1436.11	Nil	0.00
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The ratepayer's profits have reduced due to the economic downturn. A copy of the business accounts show a net profit of £8,000 in 2008. The business continues to operate and small business relief has been awarded to cover 50 per cent of the rate liability. An appeal against the rateable value is still to be considered by the valuation officer.

It is recommended no relief is awarded in line with previous decisions not to award relief to businesses that cease, or consider ceasing trading due to it unable to make a profit.

J Taylor	High Street Broughton	1399020555	3619.00	Nil	0.00
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The ratepayer runs a public house and has noticed a drop in profits since September 2008. No accounts have been produced for this period. The premise is used for charity and community events and employs 8 part time staff. Recently there has been a significant reduction in the rent payable to the brewery. The payment on the rate account is currently up to date.

It is recommended no relief is awarded in line with previous decisions not to award relief to businesses that cease, or consider ceasing trading due to it unable to make a profit.

C Barley	John Street Scunthorpe	1300021026	1479.39	1479.39	369.85
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The valuation officer removed the premise from the rating list in 2001. The rate account was paid in full at this date. In 2008 the valuation officer issued a 'certificate of transition' on this property. This certificate can affect the amount of transitional relief awarded on the rate account. The council has no option but to calculate and bill on the revised figure on the certificate. The rate liability was re-calculated and an extra £1479.39 debit was created for 2000/1. The valuation officer is unable to explain why the certificate was issued 7 years late. Legislation does not allow the valuation officer to withdraw or cancel the certificate.

The ratepayer no longer runs a business and no longer has funds to pay this demand.

The council granted hardship relief to another ratepayer in March 2007 after a similar error by the valuation officer. It is recommended rate relief is awarded in this circumstance.

Total	369.85
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