

# Agenda Item

**Executive Board**

**4 April 2007**

**NS**



## **National Non-Domestic Rates: Application from Axminster Museum**

### **Summary**

Application for Section.47 Discretionary Rate Relief.

**Recommendation:** That the application for rate relief be considered.

### **a) Reasons for Recommendation**

Decision on application deferred to Executive Board by the Resources Portfolio Holder - who will declare an interest.

### **b) Alternative Options**

- Offer rate relief in full
- Offer rate relief in part
- Refuse relief

### **c) Risk Considerations**

See main body of the report.

### **d) Policy and Budgetary Considerations**

See main body of the report.

### **e) Date for Review of Decision**

N/A

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## 1. Rate Relief for Non-Profit Making Organisation

Under Section 47 of the Local Government Finance Act 1988 the Council has discretion to award rate relief to charities and non-profit making bodies. Relief may be awarded in respect of both occupied and unoccupied premises.

In the case of non-profit making bodies not entitled to mandatory relief, 25% of the cost is borne by East Devon's council tax payers with 75% offset against the Government's pool. With registered charities, 75% of top-up relief granted is borne by East Devon's council tax payers.

### 1.1 Axminster Museum, New Commercial Inn (Shop), Trinity Square, Axminster

Rateable Value: £8800

Rates Charge (29.9.05 – 30.11.06): £881.77

Type of business: Charity Shop

On 12 March 1991 The Discretionary Rate Relief Sub-Committee resolved that a registered charity using a property as a museum would be entitled to 20% discretionary relief in addition to 80% mandatory relief and that charity shops would NOT receive additional discretionary relief.

Under the existing policy, following an amendment to the Rating List (including a change in description to 'shop & premises') Axminster Museum's entitlement to 20% discretionary relief for the above property ended.

Axminster Museum has applied for discretionary relief (see appendix 1), in addition to 80% mandatory relief, on their charity shop for the period 29 September 2005 to 30 November 2006 when it closed, contrary to the existing policy.

1.2 Due to increasing concerns expressed by local traders relating to rate relief received by charity shops and unfair competition, the views of Axminster Chamber of Commerce & Industry were sought on the above application: "we fully support the idea of 100% rate relief for this establishment as there are no other shops selling second hand books in the town. Whilst there is another shop selling new books, they have also supported the museum project by donating their redundant books for the cause" (see appendix 2).

1.3 If additional discretionary relief is awarded, please provide the grounds for distinguishing this case from the existing policy. This will assist office staff when dealing with future rate relief enquiries.

1.4 Ward Members' Observations:

The Ward Members will declare an interest.

## Legal Implications

There are no legal implications requiring comment on this report.

## Financial Implications

The financial implications are detailed below.

<u>Cost to the Council:</u> discretionary relief	10% discretionary relief	20%
	£330.66	£661.32

## Consultation on Reports to the Executive

## Background Papers

Letter of application.