REPORT TO: POLICY AND RESOURCES COMMITTEE ON 24 JUNE 2008

SUBJECT: APPLICATION FOR DISCRETIONARY NON-DOMESTIC RATES REMISSION: MORAY ARTS CENTRE

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

1.1 The reason for this Report is to consider an application from Moray Arts Centre for a discretionary award of Non-Domestic Rates relief for its premises at The Park, Findhorn, Forres.

1.2 This report is submitted to the Committee in terms of Section A (20) of the Council's Administrative Scheme relating to the disposal of applications for relief from rates.

2. RECOMMENDATION

2.1 This application for some discretionary relief is outwith the powers delegated to the Chief Financial Officer on 23rd March, 2005, to dispose of applications for relief. In these circumstances, the disposal of this application reverts to the discretion of the Committee.

2.2 The Committee is now invited to consider on its individual merits:

(i) the application from Moray Arts Centre for some discretionary Non-Domestic Rates relief for these premises at The Park, Findhorn, Forres; and

(ii) if an such an award is to be made, the amount of rates relief to be awarded, up to a statutory maximum of twenty per cent of the rates bill.

3. BACKGROUND

3.1 Legal Framework

3.1.1 In terms of Section 4(5) of the 1962 Act, Rating Authorities have powers to grant discretionary remission of rates in respect of premises:

(a) falling within the terms of Section 4 (2) of the 1962 Act; or

(b) occupied for the purposes of organisations which are not established for profit and whose principal aims are charitable and are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts; or

(c) occupied for the purposes of a club, society or other organisation not established or conducted for profit and which are wholly used for the purpose of recreation.

3.2 Applicant

3.2.1 Moray Arts Centre is a registered Scottish Charity (SC 028270). It seeks to advance the education of the general public and the artistic profession in all areas of the arts, including, but not restricted to, painting, drawing, pottery, art therapy, art history, music, dance, drama, storytelling and sculpture. It also seeks to provide artistic skills for recreation to all members of the community without distinction of sex, race, religion, age or political persuasion.

3.2.2 The premises at The Park, Findhorn, Forres, have been occupied by Moray Arts Centre since 1st February, 2008.

3.2.3 These premises are in charitable occupation, so there is an entitlement to eighty *per cent* mandatory remission of rates.

3.3 Financial Cost of Relief

3.3.1 The rateable value of the premises at The Park, Findhorn, Forres, for which some discretionary relief is sought is £12,000.

3.3.2 The net 2008-09 Non-Domestic Rates payable for the period Moray Arts Centre has occupied the premises at The Park, Findhorn, Forres, for which some discretionary relief is sought is £5,496.00.

3.3.3 The cost of granting twenty *per cent* discretionary rates relief for this liability would be £1,099.20, seventy-five per cent of which would be borne by the national Non-Domestic Rates ‘pool’ and twenty-five per cent, amounting to £274.80, would accrue as a financial burden to the Council and would require to be funded directly by Moray’s Council Tax-payers.

3.3.4 The net 2007-08 Non-Domestic Rates payable for the period Moray Arts Centre has occupied the premises at The Park, Findhorn, Forres, and for which some discretionary relief is sought, is £867.54.

3.3.5 The cost of granting twenty *per cent* discretionary rates relief for this liability would be £173.51, seventy-five per cent of which would be borne by the national Non-Domestic Rates ‘pool’ and twenty-five per cent, amounting to £43.38, would accrue as a financial burden to the Council and would require to be funded directly by Moray’s Council Tax-payers.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Development Plan/Community Plan/Service Improvement Plan

The content of this Report conforms with the working principles identified in the Corporate Plan regarding sound financial management.

(b) Policy and Legal

The decision made by Committee on the question posed in this Report will only be applicable to this specific application for discretionary rates relief.

(c) Resources (Financial, Risks, Staffing and Property)

If the Committee choose to exercise their discretionary powers to make an award of some additional rates relief, twenty-five per cent of the relief awarded will require to be funded by Council Taxpayers. In the present financial year, 2008-09, the net financial burden placed on Council Taxpayers of awarding twenty per cent discretionary relief to this applicant would be £274.80.

(d) Consultations

No consultation has been carried out in the preparation of this Report.

5. CONCLUSION

5.1 The Members of the Committee are invited to consider whether it is appropriate to make an award of discretionary rates relief which will be partially funded by Moray’s Council Taxpayers to Moray Arts Centre for its premises at The Park, Findhorn, Forres.

Author of Report:	James Taylor, Taxation Manager. (Ext. 3160).
Background Papers:	
Ref.:	JGT/LJC/448301