

**NATIONAL NON DOMESTIC RATES – DISCRETIONARY RATE RELIEF  
BRAMPTON PARK GOLF CLUB**

**(Report by the Head of Revenues Services)**

**1 PURPOSE**

- 1.1 The purpose of this report is to advise the Cabinet of an application for Discretionary Rate Relief and to invite members to make a decision on this case.

**2 LEGISLATION**

- 2.1 S43 of the Local Government Finance Act 1988 allows for 80% mandatory relief from National Non-Domestic Rates for charities and kindred organisations. S47 of the same act permits a billing authority to grant discretionary rate relief to charities and other organisations of prescribed types.
- 2.2 One of the conditions to be satisfied before the authority can consider an application with regard to an occupied hereditament is that:-

“the property is wholly or mainly used for the purposes of recreation, and all or part of it is occupied for the purpose of a club, society or other organisation not established or conducted for profit”.

**3 BACKGROUND**

- 3.1 On 7 February 2005 Brampton Park Golf Club (“BPGC”) applied for discretionary Rate Relief from non-domestic rates. A reply was sent on 4 March stating that as a Private Limited Company, BPGC was not eligible for consideration of the relief as such a company, with share capital, balance sheet and profit & loss account could not be an organisation that was ‘not established or conducted for profit’, and hence fell outside the scope of the scheme.
- 3.2 It was suggested that BPGC apply for ‘Community Amateur Sports Club’ status (through the Inland Revenue), as CASCs are granted 80% mandatory relief.
- 3.3 BPGC responded on 16 March, stating that although they were a Limited Company, their Articles of Association state that the income of the company shall be applied solely towards the objects of the company and no part shall be paid to the members directly or indirectly by way of profit.
- 3.4 A reply was sent on 23 March stating that, although the company did indeed qualify as an organisation not established or conducted for profit, it did not gain sufficient points to obtain any relief under the scoring system approved by the Finance & General Purposes Committee on behalf of the District Council in 1996.
- 3.5 The company responded by making a request under the Freedom of Information

Act for:

- a list of all recipients of discretionary rate relief in the last two years;
- details of the amount of each award and the percentage of the rates that these amounts represented;
- a copy of the council's policy & guidance on how we assess applications for rate relief; and
- details of the points scoring system.

This request was duly complied with.

**3.6** On 8 June, BPGC sent in a scoring sheet that they had completed, which assessed the club as warranting sufficient points to qualify for 30% discretionary rate relief. The criterion which made the difference between this sheet and the one completed by HDC staff (see 3.4 above) was about 'restrictions on membership'. Officers believe that 'average restrictions' on membership exist, whilst BPGC assert that there are no restrictions.

**3.7** Officers' assessment is based on the following factors:

- The club's membership pack advises that there are a 'small number of memberships available'.
- Membership fees cost up to £697 per year (less for juniors, students and 5-day members). Although there is normally a joining fee as well, it is waived or reduced for some categories (juniors, emergency services personnel and teachers). It should be noted that there is a separate criterion on the scoring sheet which allocates minus points according to the level of membership fee(s).
- On their website, BPGC state that by joining Brampton Park, 'you are among a privileged few'.
- Applicants are required to attend a meeting with the manager of the club. This is intended to 'allow both parties to judge that the new member and existing members blend in together for the benefit of all'.

**3.8** BPGC contend that there are no restrictions because there is no system of proposing and seconding, nor is there an interviewing panel or a requirement for members to be approved.

**3.9** BPGC are unwilling to accept the Officers' decision in this case. They have been advised that, were they to change their membership procedure such that no meeting was required prior to accepting someone's application for membership, we would reconsider their situation. They declined that suggestion and simply reiterated their view that they have no restrictions on membership.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1** The Council Tax payers must bear the cost of 25% of the amount of any reduction, the remaining 75% being deducted from the Council's contribution to the National Non-Domestic Rates pool.

	£
The rates demand for 2005/6 is	35,448
30% rate relief would be	10,634

The net cost to the Council Taxpayers for the year 2005/6 would be £2,658.60 if the application were granted. Relief is usually granted for three years, with a review at the end of that period.

- 4.2** It should be noted that officers have now reviewed the discretionary rate relief scheme for the first time since 1996. A separate paper is included elsewhere on this Cabinet agenda.

#### **5. RECOMMENDATION**

- 5.1** In the light of the foregoing information and BPGC's unwillingness to accept the Officers' decision in the matter, Cabinet is invited to determine the Club's application for discretionary rate relief.

#### **ACCESS TO INFORMATION ACT 1985**

Finance & General Purposes Committee minutes from January 1996  
Discretionary Rate Relief files in Local Taxation office  
BPGC correspondence file in Local Taxation office

#### **Contact Officer:**

**Julia Barber**

Head of Revenues Services ☎ **01480 388105**