

## Business Rates Retention: Technical Consultation

### *Response from National Council for Voluntary Organisations and Charity Finance Group*

The National Council for Voluntary Organisations (NCVO) and the Charity Finance Group (CFG) are responding to this consultation on behalf of our members – organisations who benefit from mandatory and discretionary reliefs on payable business reliefs. We are concerned that the changes the consultation proposes will have a negative impact on the charity sector.

The proposals in the consultation make it clear that from April 2013 local authorities will be able to keep a greater proportion of the business rates that they collect. Whereas currently they keep 25% of the rates they collect, after 2013 they will be allowed to keep 50% (with the remainder going to central government). This creates an incentive for local authorities to collect more business rates.

Our concern is that this will result in local authorities being less likely to grant discretionary relief to charities in the future as they will gain a greater share of the money that each charity pays through business rates.

The reliefs that organisations currently claim play a crucial part in enabling them to operate successfully. Any changes which lead to an incentive for local authorities to cut discretionary rates will take much-needed money out of the charity sector and should be avoided.

For organisations that are already operating in a tough financial climate this would be an unwelcome and harmful consequence, potentially stunting the growth of local community action.

This response urges DCLG to ensure that the changes that result from the Business Rates Retention: Technical Consultation will not negatively impact upon charities being able to claim discretionary relief.

September 2012

The National Council for Voluntary Organisations (NCVO) is the largest general membership body for voluntary and community organisations (VCOs) in England. NCVO represents over 8500 organisations, from large 'household name' charities to small groups involved in all areas of voluntary and community action at a local level. [www.ncvo-vol.org.uk](http://www.ncvo-vol.org.uk)



CFG is the charity that champions best practice in finance management in the voluntary sector. Our training and development programmes enable finance managers to give the essential leadership on finance strategy and management that their charities need. With more than 1,800 members, managing over £21bn, we are uniquely placed to challenge regulation which threatens the effective use of charity funds. For more information, please see [www.cfg.org.uk](http://www.cfg.org.uk)

