



Report of the
Committee on the Rating of
Charities and Kindred Bodies

*Presented to Parliament by the Minister of Housing and Local Government
by Command of Her Majesty
August 1959*

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REPORT OF THE COMMITTEE ON THE RATING OF CHARITIES AND KINDRED BODIES

To: The RIGHT HONOURABLE HENRY BROOKE, M.P.,
Minister of Housing and Local Government.

SIR,

1. You appointed us on 22nd January, 1958 to be a Committee with the following terms of reference:

“To review the present treatment for rating of hereditaments in England and Wales occupied for purposes of a charitable nature or for other similar purposes (other than hereditaments to which section 7 of the Rating and Valuation (Miscellaneous Provisions) Act, 1955 applies); to consider in particular the provisions of section 8 of the Act of 1955 and of the Scientific Societies Act, 1843; and to advise on the proper treatment for rating of the hereditaments within these terms of reference.”

2. We have met 29 times.

3. We invited a number of representative national bodies to give evidence, and our readiness to consider submissions by other bodies was announced in a letter addressed by the Chairman to the Editor of *The Times*, and published on 14th March, 1958. In this letter it was made clear that we wished to address our minds to general issues rather than to the special circumstances of individual organisations or properties.

4. We received a large volume of written evidence, ranging from full memoranda to letters about individual bodies or on individual points arising from our terms of reference. We are grateful to all those who helped us in this way. A list of them is in Appendix I. There was much overlapping of evidence and we decided that it would not be necessary to publish it. The main arguments advanced are summarised in our Report.

5. After we had examined a substantial proportion of the written evidence we decided that we would not ask for oral evidence unless there were aspects of a written memorandum which seemed to require further exposition. We did in fact take oral evidence from two bodies only, but we are also grateful to the many bodies who informed us that they were prepared to give oral evidence if we so desired.

6. We have the honour to present our Report.

PART I. THE SITUATION BEFORE 1956

1. THE RATING SYSTEM

7. Though there were earlier local taxes, some of them of the nature of rates, it is generally accepted that the modern system of rating owes its origin to the need to provide for the relief of the poor. Originally on the basis of voluntary contributions, the payment of a poor rate was made compulsory in 1597. The subsequent Poor Relief Act, 1601 (43 Eliz. 1, c. 2) is commonly regarded as the beginning of the modern rating system. The Act, parts of which are still in force, authorised the overseers to raise weekly or otherwise sums for the relief of the poor "by taxation of every inhabitant, parson, vicar and other, and of every occupier of lands, houses, tithes impropriate, appropriations of tithes, coal mines, or saleable underwoods in the said parish".

8. During the nineteenth century local authorities were empowered or required to provide new services. The expenses of some of these (e.g., education) were made a charge on the poor rate. For others, new rates were levied, the most important of these being the "general district rate" ("special expenses rate", later "special rate", in rural districts) to finance expenditure on public health. Section 2 of the Rating and Valuation Act, 1925 (15 & 16 Geo. 5, c. 90) merged virtually all of these other rates into one general rate*, and the borough and urban and rural district councils became the rating authorities: county councils, parish councils and other bodies precept upon these authorities. The law relating to rating in London has always differed in some respects: by the London Government Act, 1899 (62 & 63 Vict., c. 14) a general rate was substituted for the separate rates previously leviable, and the metropolitan borough councils created under this Act were made the rating authorities.

9. On 5th July, 1948, what then remained of the poor law was abolished by Part I of the National Assistance Act, 1948 (11 & 12 Geo. 6, c. 29). But the rating system originally created to provide funds for relief of the poor continued substantially unchanged as the means of levying funds for the other, newer services. In most areas local authorities' expenditure on these newer services already heavily outweighed their expenditure on poor law services.

10. Originally all property was rateable in law, but in 1840 the Poor Rate Exemption Act (3 & 4 Vict., c. 89) brought the law into conformity with general practice by exempting stock-in-trade and other personal property. Land, houses, tithes, etc., remained rateable, the occupier being liable.

11. The basis of valuation for rating is still broadly that laid down in the Parochial Assessments Act, 1836 (6 & 7 Will. 4, c. 96), which gave the first statutory definition of net annual value: the rent which the property would command if let from year to year in the open market. (The general definition is now contained in section 22 of the Rating and Valuation Act, 1925.) Until 1950, valuation for rating was a function of local government. The responsibility was transferred to valuation officers of the

* "Special rates" continued to be levied in rural districts until they were abolished by section 4 of the Rating and Valuation (Miscellaneous Provisions) Act, 1955 (4 Eliz. 2, c. 9).

Inland Revenue by section 33 of the Local Government Act, 1948 (11 & 12 Geo. 6, c. 26), which was brought into effect on 1st February, 1950 by the Local Government Act, 1948 (Appointed Days) Order, 1949 (S.I. 1949 No. 434).

12. Thus, after three-and-a-half centuries rates are the main source of revenue within the direct control of local authorities; it is the occupier, rather than the owner, of a hereditament who is rateable in respect of it*; it is his occupation of land (using that term in its widest sense) which gives rise to a liability; and his liability is determined by the open market rental value of the land after due allowance for the cost of maintenance and repairs.

2. RELIEFS FROM RATES

13. The application of these general principles has been far from simple and not uniform. In particular, different measures of relief from rates have been granted for diverse reasons and in different ways in respect of properties occupied for a wide variety of purposes.

14. Outside the field of charities and kindred bodies, relief is mainly accorded by statute. The most important instances of such statutory relief are:

(i) *Agriculture.* Agricultural land was originally given 75 per cent relief from the general district rate and the special expenses rate under sections 211 and 230 of the Public Health Act, 1875 (38 & 39 Vict., c. 55) because, in the words of the Final Report of the Royal Commission on Local Taxation (Cd. 638, 1901), it "got very little benefit" from "modern sanitary expenditure". Under the Agricultural Rates Act, 1896 (59 & 60 Vict., c. 16) it was given additionally 50 per cent relief from the other public local rates "to mitigate the severity of the agricultural depression"; this relief was increased to 75 per cent by the Agricultural Rates Act, 1923 (13 & 14 Geo. 5, c. 39). Under the Rating and Valuation Act, 1925 the relief was extended to agricultural buildings and changed in form to "derating", i.e., the new general rate (and special rates in rural districts) were made chargeable on only a fraction (one-quarter) of the net annual value. Finally, the Local Government Act, 1929 (19 & 20 Geo. 5, c. 17) exempted agricultural land and buildings from rates altogether.

(ii) *Industry and freight-transport.* The Local Government Act, 1929 also derated industry by 75 per cent. The relief was intended to help industry to compete in overseas markets and to increase employment in this country, but it was also represented by the Government as "a long delayed act of justice" since in the Government's view the rating system was inappropriate in its application to modern industrial production (Hansard, 26th November, 1928,

* Under section 11 of the Rating and Valuation Act, 1925 as amended, the rating authority may rate the owners instead of the occupiers of hereditaments of a rateable value not exceeding an amount fixed by them within certain over-riding statutory limits (generally of £18, but of £25 in London and certain other areas). But this is a matter of administrative convenience for the rating of small properties and does not affect the general principle.

columns 87-88). Freight-transport hereditaments were derated to the same extent as industry, to give further assistance by that means to agriculture and productive industry. The Local Government Act, 1958 (6 & 7 Eliz. 2, c. 55) has retained the principle of relief for industry and freight-transport but reduced the amount to 50 per cent.

- (iii) *Shops, offices, etc.* Under the Valuation for Rating Act, 1953 (1 & 2 Eliz. 2, c. 42) dwelling-houses, private garages and private storage premises were assessed at their 1939 rental values for the valuation lists which came into force on 1st April, 1956. All other properties were assessed at current rental values. The Rating and Valuation Act, 1957 (5 & 6 Eliz. 2, c. 17) partially redressed the consequent change in the incidence of the rate burden by reducing the rateable values of certain types of property, such as shops and offices, by one-fifth (or one-seventh if the property included a house or flat) for the remainder of the duration of the same lists.

There are a number of other instances of statutory relief from rates given on various grounds and in different ways. Sections 211 and 230 of the Public Health Act, 1875 and section 22 of the Rating and Valuation Act, 1925 partly derated *railways and canals* (before their nationalisation) and *land covered with water* because these hereditaments derived little benefit from various local authority services. The Rating and Valuation (Miscellaneous Provisions) Act, 1955, exempted *sewers, watercourses and their accessories* because the net financial effect of rating them would in general be insignificant compared with the difficulty and expense of valuation. The same Act exempted *advertising rights on the nationalised railways and canals* because, although their valuation would have been costly, the separate rating of those rights would not have increased the total amount received by local government from the British Transport Commission. The Act of 1955 also exempted *garages for invalid chairs*, partly on the *de minimis* principle and partly on grounds of equity; and made *churches and church halls* exempt from rates unless they are let for profit. Under section 731 of the Merchant Shipping Act, 1894 (57 & 58 Vict., c. 60), consolidating the exemption in section 430 of the Merchant Shipping Act, 1854 (17 & 18 Vict., c. 104), the hereditaments occupied by *general lighthouse authorities* are not rateable. Under section 15 of the Burial Act, 1855 (18 & 19 Vict., c. 128) certain *burial grounds* are also exempt.

3. RATE RELIEF FOR CHARITIES AND KINDRED BODIES

15. The nature of the reliefs enjoyed by charities and kindred bodies before 1956 and the reasons from time to time advanced for giving them make a confused history. Some charities have been exempt under the Scientific Societies Act, 1843 (6 & 7 Vict., c. 36); some have been exempted by rating authorities under the Sunday and Ragged Schools (Exemption from Rating) Act, 1869 (32 & 33 Vict., c. 40); and some have been exempt under the Voluntary Schools Act, 1897 (60 & 61 Vict., c. 5), or under the Education Act, 1921 (11 & 12 Geo. 5, c. 51), or the Education Act, 1944 (7 & 8 Geo. 6, c. 31), which successively modified the 1897 exemption. (These reliefs are all referred to in more detail later in the Report.) But between 1865 and

1956 most charities were dependent upon sympathetic treatment by rating authorities, for which there was no statutory sanction; before 1865 the rateability of property occupied for charitable purposes was not free from doubt.

Rateability of charities before 1865

16. From reports of cases decided in the late 18th and early 19th centuries it seems probable that properties provided and used for charitable purposes were frequently omitted from the poor rate. An early case (*Rex v. Waldo* (1783), Cald. 358) established that "an alms-house wholly occupied by objects of charity, or their attendants, and of which no profit was made, was not rateable, although the absolute property of it was in the person who gives the alms"; and the judges criticised the defendants for attempting to rate the property: "Lord Mansfield—'The parish have acted in a shameful manner to rate a house applied to a purpose so beneficial to it . . .' Buller, J.—'Do you mean to argue that if a man give all he has in charity, he shall apply something more in charity?'" On the other hand the beneficiaries of a charitable foundation who occupied almshouses and lands for their own benefit were held in another case (*Rex v. Munday* (1801), 1 East 584) to be rateable.

17. After referring in their Report (House of Commons Paper No. 444) in 1858 to the class of exemptions conferred by statute, the Select Committee on Public Establishments (Exemption from Rates) continued:

"The second class of exemptions, which are much more extensive in their operation than the former class, arise from the application of the legal rule requiring, as a condition of rateability, that there should be an occupier having a beneficial occupation. As a beneficial occupation is understood to be an occupation from which some peculiar, separate, and private profit or advantage accrues or may accrue to the occupier, it follows that where lands or buildings are occupied for a public purpose, they are exempt from rate. . . . Buildings and lands occupied by municipal or other public bodies . . . are within the exemption. . . ."

"The rule respecting the exemption of property occupied for a public purpose has been held to extend to charitable institutions maintained by a private endowment, such as hospitals, free schools, and other similar establishments. In these cases, neither the trustees who receive and apply the endowment, nor the objects of the charity who profit by its application, are considered as having such a beneficial occupation as renders them liable to be rated. It is not easy to understand the grounds upon which charitable institutions maintained by a private endowment have been brought within the benefit of the rule which applies to institutions maintained out of public funds for a public purpose." (p. iv.)

The Royal Commission on Local Taxation, who drew attention in their Final Report (*op. cit.*, paragraph 14 (i)) to the Report of the Select Committee, observed that inconsistencies of law and practice long subsisted both in regard to premises occupied by local public authorities and in regard to private property devoted to charitable or quasi-public purposes.

Mersey Docks and Harbour Board Trustees v. Cameron [1865] and its consequences

18. Both the statute law and the earlier case law was exhaustively reviewed in *Mersey Docks and Harbour Board Trustees v. Cameron* (11 H.L.C. 443) in 1865. The docks were a public trust, and the Mersey Docks and Harbour Board was bound to apply its funds as the statutes directed, in defraying conservancy and pilotage expenditure, etc., and paying off debts. When all debts were paid, the dock duties were to be reduced as far as possible. No member of the Board derived any private advantage or emolument from the execution of the trusts. The question for the House was whether in these circumstances the Board was liable for the poor rate. In his speech the Lord Chancellor (Lord Westbury) said:

"The only occupier exempt from the operation of the Act is the King, because he is not named in the statute, and the direct and immediate servants of the Crown, whose occupation is the occupation of the Crown itself, also come within the exemption. But this ground of exemption does not warrant many decisions which have held that property used for public purposes is not rateable; so also trustees who are in law the tenants or occupiers of valuable property upon trust for charitable purposes, such as hospitals . . . are, in principle, rateable, notwithstanding that the buildings are actually occupied by paupers who are sick or insane. . . ." (pp. 501-502)

"When valuable property . . . is sought to be exempted on the ground that it is occupied by bare trustees for public purposes, the public purposes must be such as are required and created by the government of the country, and are therefore to be deemed part of the use and service of the Crown. . . ." (pp. 504-505)

There was no dissent from these views in the House of Lords, although in a dissenting answer to questions put by the House to the Judges beforehand Mr. Justice Byles had drawn attention to the existing exemption of public hospitals and other charities on the ground that they were public charities and that there was no beneficial occupier except the public.

19. Commenting, in his book, *The Principles of Law with regard to Property given for Charitable or other Public Uses* (1880), upon the "startling decision in the Mersey Docks case", C. S. Kenny says:

"This unexpected liability produced serious results. In one hospital the beds were seized for poor rates. St. Thomas's Hospital, whose palatial buildings are situate in a poor parish, had to contribute £3,000 a year to the rates of Lambeth; and reduced the number of its in-patients by sixty in order to meet this expenditure. This decision still remains law. But in 1869 Parliament (in the House of Commons by a majority of 120) exempted* Sunday and Ragged Schools from rates. And in 1871 Mr. Muntz attempted to carry a permissive measure which would give vestries and overseers a discretion to exempt charities from the rates; in hopes that they would relieve the poorer charities but rate the overgrown ones. Parliament, however, declined to provoke a controversy in every parish about the merits of every charity it contained, and to

* Not in fact an exemption, but a discretion for rating authorities to remit the rates—see paragraph 24 below.

embarrass the wisdom of vestries with subtle questions as to the merits of doles, nunneries, homoeopathic hospitals, or licensed victuallers' almshouses, institutions to which many of the ratepayers might dislike to become involuntary contributors. It was pleaded that some charities like infirmaries and dispensaries, saved the poor rates. It was replied that other charities, like doles, augmented them."

Diversity of extra-statutory reliefs after 1865

20. Apparently the new certainty of the law did not result in uniformity of treatment of charities, or indeed of rateable properties generally. When, on 1st April, 1927, the councils of boroughs, urban districts and rural districts became responsible for valuation for rating, they were 1,770 in number and they took the place of some 14,000 separate bodies of overseers who were previously responsible for preparing valuation lists for each parish. Some 600 union assessment committees, previously responsible for revising valuation lists, were replaced by some 350 assessment committees, each covering one or more rating areas. The chief object of Part II of the Rating and Valuation Act, 1925 in making this change was "to promote uniformity in the valuation of property for the purpose of rates". Part of the machinery introduced by that measure with the object of securing uniformity was the Central Valuation Committee (since abolished by section 33 of the Local Government Act, 1948).

21. In May, 1927 the Central Valuation Committee sent a questionnaire to assessment committees asking for information about practice in the valuation of charitable institutions (almshouses, orphanages, and institutions for the blind, deaf and dumb); hospitals (including dispensaries) mainly supported by voluntary contributions; village halls, village institutes and village clubs. Summaries of the replies are in Appendix II of this Report together with a copy of the resolution adopted by the Committee on the 17th February, 1928 which was published and circulated to rating authorities by the Minister of Health. The replies had shown that in general these properties were undervalued. Their rateable values were generally between 25 per cent and 75 per cent of their true net annual values, the proportion varying between rating areas and sometimes within individual areas. A few were fully valued and a few were not rated at all. The resolution referred to this "considerable diversity of practice" and urged rating authorities to seek, at conferences held by county valuation committees in co-operation with county borough councils, to arrive at a uniform basis of assessment throughout their areas. It is not possible to ascertain the precise effect of this advice but it is clear from the evidence which we have received that many rating authorities continued to apply sympathetic undervaluation to bodies within our terms of reference: thus, from an enquiry made by the Association of Municipal Corporations in 1949 of a small number of towns it appeared that some gave preferential valuations, and that these varied from one-quarter to one-half of the normal value. It is equally impossible to trace any general pattern or trend in the relief from rates given in this way.

Relief on account of poverty

22. The poverty of the ratepayer has long been a ground for the reduction or remission of rates. Charities are eligible, equally with other ratepayers,

for relief on grounds of poverty and no doubt some charities have received relief on this account. Under section 11 of the Poor Relief Act, 1814 (54 Geo. 3, c. 170), on the application of any person rated to the poor rate and on proof of his inability through poverty to pay such rate, two or more justices in petty sessions could order that he should be excused from the payment of the rate. The consent of the overseers to the order had first to be obtained. The Poor Law Commissioners drew attention in 1843 in their report on local taxation to the laxity with which the provision was administered, and referred also to the unauthorised practice of overseers of omitting from the rate people whom they considered to be poor: the amount of property relieved under the latter procedure alone often exceeded a tenth of the whole rateable value of a parish.

23. The law later came to be applied more strictly and in 1925 the enactment of 1814 was repealed and replaced by the present general discretion in section 2 (4) of the Rating and Valuation Act, 1925 for rating authorities to reduce or remit rates on account of poverty. The statistics of *Rate Collection 1956-57* published by the Institute of Municipal Treasurers and Accountants in November, 1957 show that for the large majority of rating authorities the amount of rates "legally excused" in that year (which would include excusals on grounds of poverty but may include other excusals as well) was substantially less than one-tenth of 1 per cent of the total rates leviable, and was commonly "nil".

Sunday and ragged schools

24. A statutory discretion covering a very limited field is to be found in the Sunday and Ragged Schools (Exemption from Rating) Act, 1869, which confers a discretionary power on rating authorities to exempt from rating buildings or parts of buildings used exclusively as Sunday or ragged schools. The Board of Inland Revenue have been able to identify only two Sunday schools which are now exempt under this provision, and no ragged schools. It seems improbable, indeed, that any school now qualifies for exemption as a "ragged school", which is defined by section 2 of the Act of 1869 as:

"... any school used for the gratuitous education of children and young persons of the poorest classes, and for the holding of classes and meetings in furtherance of the same object, and without any pecuniary benefit being derived therefrom except to the teacher or teachers employed."

Voluntary schools

25. Voluntary elementary schools were exempted from rates by the Voluntary Schools Act, 1897. Section 3 provided that:

"no person shall be assessed or rated to or for any local rate in respect of any land or buildings used exclusively or mainly for the purposes of the schoolrooms, offices or playground of a voluntary school, except to the extent of any profit derived by the managers of the school from the letting thereof."

The Act, which also provided Exchequer grants for the schools, appears to have been introduced because the voluntary bodies providing elementary

education were urgently in need of financial help to enable them to continue in existence, and because the value of their work for the community was recognised.

26. The exemption was continued in section 167 of the Education Act, 1921, which was a consolidating measure, for any "public elementary school not provided by the local education authority". Some of the voluntary elementary schools were turned into secondary schools under the Education Act, 1944, and, by section 64 of that Act, to preserve their exemption from rates, Parliament extended the exemption to all voluntary schools, thus bringing within its scope voluntary schools which were already secondary schools. Under section 9 (3) of that Act all the former "non-provided" schools became voluntary schools upon the coming into operation of Part II of the Act on 1st April, 1945.

27. "Voluntary schools" are defined in section 9 (2) of the Act*. They are primary and secondary schools maintained by the local education authority but not provided by them. Local education authorities meet the running costs—salaries, equipment, heating, cleaning, etc.—of all maintained schools. The liabilities of the body of managers or governors depend upon the category to which the voluntary school belongs. For a "controlled" school, the managers or governors are not normally responsible for any expenditure; for an "aided", or "special agreement" school, they are in general terms liable for expenses incurred in establishing the school, in altering it to comply with prescribed standards, and in carrying out external repairs. They are entitled to a 50 per cent grant from the Ministry of Education towards these expenses.

28. There were 10,659 voluntary schools in England and Wales in January, 1957 and nearly half of them had fewer than 100 pupils. By way of comparison, county schools provided by local authorities numbered 18,486 and about one-sixth of them had fewer than 100 pupils. Voluntary schools have not been valued for rating purposes but, if they were rateable and had the same basic value per scholar place as modern county schools, which are fully rated, their aggregate rateable value in 1957-58 might have been of the order of £8,000,000. Because of deductions for age, obsolescence, lack of ancillary accommodation, and other factors, however, their aggregate rateable value would certainly have been substantially less—possibly no more than one-third of this sum.

Societies for science, literature and the fine arts

29. The earliest general enactment still extant which exempts a specific class of hereditament from rates is section 1 of the Scientific Societies Act, 1843. The Act covers societies instituted for the purposes of science, literature or the fine arts. So far as can be ascertained, apart from short speeches on Introduction and on Second Reading in the House of Commons by the mover and seconder, the Bill passed through all stages in both Houses without debate. The section is in the following terms:

"No person or persons shall be assessed or rated, or liable to be assessed or rated, or liable to pay, to any county, borough, parochial,

* "Primary and secondary schools maintained by a local education authority, not being nursery schools or special schools, shall . . . if established otherwise than by such an authority, be known as voluntary schools."

or other local rates or cesses, in respect of any land, houses or buildings, or parts of houses, or buildings, belonging to any society instituted for purposes of science, literature, or the fine arts exclusively, either as tenant or as owner, and occupied by it for the transaction of its business, and for carrying into effect its purposes, provided that such society shall be supported wholly or in part by annual voluntary contributions and shall not, and by its laws may not, make any dividend, gift, division, or bonus in money unto or between any of its members, and provided also that such society shall obtain the certificate of the barrister-at-law or lord advocate, as hereinafter mentioned."

30. The Bill was introduced by Mr. G. W. Wood, M.P., who was at the time a Vice-President of the Manchester Literary and Philosophical Society. The Reports for that year record that, in moving for leave to bring in the Bill, Mr. Wood said :

"He believed this exemption would have the most salutary effects upon the population, by encouraging the dissemination of scientific, moral and religious instruction in all places where institutions literary or scientific, were already or might hereafter be established. It would, in effect, be equivalent to a vote by the House of so much public money, without being felt by anyone. As this was an object in which all who wished to disseminate sound knowledge throughout the nation must feel a deep interest, he anticipated that there would be no indisposition to assist institutions so meritorious, and which, nevertheless, he regretted he was compelled to say, were in too many instances so deficient in means as to require all possible aid from the well-wishers of science.

"Mr. Wyse seconded the motion. This bill was free from objections which had been made to bills of a similar kind. There were many buildings of a similar kind, and of a public nature, which were exempted from taxation in the manner proposed by this bill, and he saw no reason why the exemption should not be applied with respect to the buildings contemplated by the present bill."

The Reports further record that in moving the Second Reading of the Bill, Mr. Wood said that :

"His object was to relieve these institutions from the pressure of local taxation, which would give them more effectual aid than any pecuniary assistance. There was a great disposition to give relief in this way, if the parties were not prevented by the law. Chapels, schools, and hospitals were already assisted, and large sums had been granted out of the public money for churches and other public purposes, and upon those precedents he asked the assent of the House to this bill.

"Viscount Sandon seconded the motion, having previously moved a like measure, at the request of a meeting of the literary and scientific institutions of England. The burthen of taxation was very peculiar, for they must have large museums, and other rooms, and if a single porter lived on these premises the whole was rateable. The burthen was very disproportionate to the means of these societies. In one case the income of the society was only £400 a year, and the taxes amounted to £100. In other countries assistance was given to these societies. He believed that this bill would not only be considered a boon by the

societies, but by the towns themselves; and he believed that the principle would obtain general acquiescence."

31. The Act, it will be noted, was earlier in date than the case of *Mersey Docks and Harbour Board Trustees v. Cameron* (referred to in paragraph 18 above) and was therefore passed at a time when public buildings were considered not to be rateable. It seems from these Reports that in granting exemption from rates to societies for science, literature and the fine arts Parliament intended to do no more than put their buildings on a par with buildings dedicated to public purposes.

32. The strictness with which the requirements of the Act have been applied has varied from time to time. Thus, in his judgment in 1879 in *R. v. Institution of Civil Engineers* (5 Q.B.D. 48), Mr. Justice Field observed: "No doubt it has been thought that the Court of Queen's Bench in some of the earlier cases carried the exemption to at least its fullest limits, but all the later cases are in favour of its stricter limitation". A number of societies which were admitted to exemption subsequently, when a more lenient view appears to have been taken, have since been held not to be entitled to it. The resumption of the more rigorous application of the law can be dated from 1949 when in two cases heard together the Court of Appeal made a full examination of the authorities, restated the requirements of the Act in clear terms and overruled earlier decisions (*Metropolitan Borough of Battersea v. British Iron and Steel Research Association*, [1949] 1 K.B. 434; *British Launderers Research Association v. Borough of Hendon*, [1949] 1 K.B. 462).

33. When, in 1950, the valuation officers of the Board of Inland Revenue assumed responsibility for valuation for rating, they did nothing to disturb the exemptions in the old lists unless they were asked to do so by the rating authorities. But when they prepared the new valuation lists which came into force on 1st April, 1956 they applied strictly the provisions of the Act of 1843 as recently interpreted by the courts. In consequence, some societies which had been shown in the previous lists as exempt became liable for rates with effect from 1st April, 1956 on assessments based on full current rental values. Of those which have since challenged this liability in the courts some have succeeded and some have failed.

34. At our request the Board of Inland Revenue gave us an estimate of the value of the exemption in England and Wales; and the names and purposes of the bodies which enjoyed it, which had lost it, or which had failed in an attempt to secure it during the period since valuation officers became responsible for valuation for rating. The names of the societies listed in the spring of 1958 as exempt are contained in Appendix III to this Report.

35. The rateable values of the exempt properties are broad estimates only, precision being impracticable and unnecessary for our purpose. In the spring of 1958 they totalled some £128,500 in England and Wales. Of this total, about £76,700 was in the City of Westminster, £19,000 in St. Marylebone and £6,000 in Holborn. Outside London, the estimated rateable value of exempt properties reached £2,000 or more only in the cities of Newcastle-upon-Tyne (£3,600), Manchester (£2,800) and Birmingham (£2,000).

These six rating areas together accounted for rather more than 83 per cent of the total for England and Wales. The remaining 17 per cent (£18,500) was shared by some 56 other rating authorities.

36. As compared with £128,500 of rateable values still within the exemption, property to a total value of about £148,500 had lost or failed to gain the exemption between 1st February, 1950 and the spring of 1958. Local authorities' returns, made at the request of the Ministry of Housing and Local Government, showed that further property to a value of over £29,000 had lost or failed to gain exemption when the local authorities were responsible for valuation for rating, before 1st February, 1950: these returns were incomplete.

37. It will be seen from section 1 of the Act of 1843 that there are five conditions which must be satisfied before a society is entitled to exemption:

- (i) It must be a society instituted for purposes of science, literature, or the fine arts exclusively.
- (ii) It must be supported wholly or in part by annual voluntary contributions.
- (iii) It must be a society which shall not, and by its laws may not, make any dividend, gift, division or bonus in money unto or between any of its members.
- (iv) It must obtain a certificate (originally from the "barrister-at-law" but now, under section 2 of the Friendly Societies Act, 1896 (59 & 60 Vict., c. 25), from the Central Office of the Registry of Friendly Societies) that it is entitled to exemption.
- (v) The hereditaments must be occupied for the transaction of the business of the society and for carrying into effect its purposes.

38. We have received no complaint about the working of condition (iii) or about its equity.

39. There appears to be general agreement that condition (iv) is unnecessary. Although possession of the certificate is a condition precedent to the claim for exemption, it is not conclusive. A society may be held to be liable to rates despite the fact that it holds the certificate. At best the condition acts as an imperfect filter.

40. The main criticisms of substance from the bodies who have unsuccessfully sought exemption or regard the present tenure of their exemption as precarious are directed at conditions (i), (ii) and (v).

41. An analysis of the returns referred to shows that the most common reason for loss or refusal of the exemption is that the society does not comply with the first condition. The principal obstacle to compliance has been in the word "exclusively" which appears both in the preamble to the Act and in the section itself. The two leading cases ([1949] 1 K.B. 434, 462: paragraph 32 above) dealt with this condition fully, and in the leading judgment by Mr. Justice (now Lord) Jenkins in the *British Iron and Steel Research Association* case four principles were stated:

- (i) 'Science' for the present purpose includes applied, as well as pure or speculative, science . . . (p. 451).

- (ii) The question . . . must be determined by reference to the purposes of the society as defined by its constitution, rather than by the purposes it may actually have pursued in practice . . . (p. 451).
- (iii) The word 'exclusively' . . . means what it says . . . (p. 452).
- (iv) A distinction is, however, to be drawn between the purposes of a society and the means adopted to obtain those purposes. Thus a society having for its purpose promotion of science is not disqualified from exemption merely because its authorised activities include, as means of attaining that end, activities which considered as ends in themselves would be ends other than the promotion of science. . . . The extraneous activity must be only a means to the one end, as opposed to a distinct object . . ." (p. 453).

42. The next most common ground for loss or refusal of exemption was failure to comply with the second condition. There has been a good deal of litigation on the meaning of this condition and there is still some uncertainty about it. There are three main parts to the condition. The contributions must be "voluntary"; they must be "annual"; and the society must be supported "wholly or in part" by them. The leading case on the meaning of "voluntary" is the decision of the House of Lords in *Overseers of Savoy v. Art Union of London* ([1896] A.C. 296) that subscriptions were not voluntary if the subscribers received benefits in the form of goods of greater value than their subscriptions. The *British Iron and Steel Research Association* case provides some guidance on the interpretation of this word also: in his judgment Mr. Justice Jenkins said:

"In order to qualify as a voluntary contribution for the purpose a contribution must in substance be charitable or altruistic in character—a payment made in support of the society for the sake of the public utility of its purposes, as opposed to a payment comparable to the subscription made by a member of a club for the sake of the private advantages of membership. . . . The substance of each case must be looked at to see whether the payments claimed to be voluntary contributions are, in substance, made as a matter of business, or as a matter of bounty."

The same case established that grants made to a society by a Government Department are not annual voluntary contributions.

43. It appears that the income from invested voluntary contributions is not itself an annual voluntary contribution. One of our witnesses has pointed out that in consequence a society which depends almost entirely upon voluntary contributions but accumulates trust funds for prizes, exhibitions or scholarships, may reach a state after a number of years in which the investment income from contributions which were undoubtedly voluntary in origin is so large in relation to current voluntary contributions that the society becomes disqualified for exemption.

44. The question whether the annual voluntary contributions, once admitted as such, support the society "wholly or in part" has also been the subject of litigation. The proportion required to satisfy this part of the condition is relatively small—proportions of the order of 10 per cent have been held to be adequate—but criticism has arisen because it has

been ruled, in *Nonentities Society v. Linley* (1954) (47 R. & I.T. 426), that gross as opposed to net receipts must be taken into account. So, if a society administers a scheme for a local authority without reward, and the scheme is so arranged that the credits and debits pass through the society's accounts, the credits at present count as part of the gross income of the society, no account being taken of the equal debits.

45. The fifth condition has resulted in fewer cases of loss or refusal of exemption but could produce in certain circumstances results which have been represented to us as absurd. A society which helps the work of a kindred society by permitting the latter to use its premises, either without charge or for a payment equivalent to the expense of heating, cleaning, etc., may lose its exemption in consequence even though the society borrowing the premises would, if the rateable occupier, have itself been entitled to the exemption.

46. The Act has produced some curious anomalies. Often we could see no difference between societies within and societies outside the exemption. Some which are exempt appear to be less needy or less deserving of relief than others which have lost the exemption or have failed to gain it. Several of the societies now exempt seem to be fundamentally different from the kind of institution which the speeches and interests of the Members who spoke for the Bill in 1843 lead us to suppose that they had in mind.

PART II. SECTION 8 OF THE RATING AND VALUATION (MISCELLANEOUS PROVISIONS) ACT, 1955

1. THE ORIGIN OF SECTION 8

47. Under the Local Government Act, 1948, valuation officers of the Board of Inland Revenue became responsible for valuation for rating on 1st February, 1950. The purpose of transferring the work from local to central government was to secure uniform standards of valuation, and this precluded the continuation of the practice of sympathetically under-valuing hereditaments occupied by charities and kindred bodies. In the 1956 valuation lists these hereditaments could only be valued strictly in accordance with the legal requirements. Unless remedial measures had been taken, the change in the machinery of valuation would accordingly have resulted in substantial increases in rate liabilities for bodies of this kind. The Government therefore included in the Rating and Valuation (Miscellaneous Provisions) Bill introduced in March, 1955 a provision enabling the rating authority to reduce or remit any rate leviable in respect of an almshouse or property occupied by a philanthropic body. Their object, as explained by the Minister in winding up the debate on Second Reading of the Bill, was to preserve the position under which charities had formerly been assisted by the exercise of local discretion based on local knowledge (Hansard, 6th April, 1955, column 1301).

48. The proposal was unsympathetically received in the House of Commons, where it was criticised on several grounds. It was argued that the provision was unsatisfactory because it was likely to lead to inequality

in the treatment of different kinds of charities; because it was not clear that it applied to certain deserving bodies; because rating authorities which were content to allow a traditional under-valuation to be carried forward by common consent from one valuation list to another might take a very different view of a reduction in rates in respect of a property appearing with a substantial rateable value in the list; and because reliance upon the discretion of the local authorities might expose charities and kindred bodies to pressure from the authorities to give or sell land for some public purpose. It was suggested that some property should be completely exempt; that a convenient dividing line to take would be the charitable exemption under the income tax provisions; and that the exemption would need to be accompanied by discretionary powers to remit the rates for other types of property. This Bill was given its Second Reading, but because of the dissolution of Parliament was not proceeded with.

49. Another Bill, with the same title and an identical provision relating to charities and kindred bodies, was introduced early in the new Parliament. There was further criticism of the provision in the debate on Second Reading of this Bill. Reference was made to the uncertainty which the organisations concerned would suffer because a reduction or remission of rates had to be made afresh each year. It was suggested that Parliament should lay down some general principle governing the amount of relief to be given to bodies of various types. It was alleged that, because philanthropic bodies and rating authorities were often "competing" with each other in the provision of the services or amenities, rates might be used by the local authority as a means of excluding the philanthropic bodies from particular fields of activity; to prevent that, a minimum remission of rates should be given as of right, and the local authority should be left with discretion to reduce or remit the marginal amounts still payable.

50. In Committee on the Bill criticism of the provision was pursued and pleas were made for a variety of particular kinds of property, among them community centres, village halls, private open spaces held on charitable trusts, almshouses, colleges, schools, scientific research associations, property occupied by societies registered under the Industrial and Provident Societies Acts and "little" theatres. The Minister undertook to consider the remarks made in the course of the debate and to bring forward proposals at a later stage in the Bill.

51. The clause which became Section 8 of the Act of 1955 was introduced at Recommittal Stage in the House of Commons and again discussed at some length. In introducing it the Minister referred to "two very serious difficulties" in the way of giving a fixed proportion of relief to particular classes of bodies: the first lay in determining the minimum amount of relief they were to have, the second in defining the classes to have it. The Minister explained the purpose of the new clause as follows:

"It seemed to me, therefore, that three things were needed. The first was to see these charities—and I use the word 'charities' to cover all the other organisations concerned, playing fields, universities, and so on—safely through the changeover process. The second was to give time to see what is going to happen, so that Parliament can, if necessary, legislate before any serious harm is done. We all realise

the difficulty of legislating, and it seems to me important, if we can, to dispense with the necessity of legislating now on the understanding that we are not losing the opportunity to legislate if experience should show that it is necessary.

"The third thing was how to get round the difficulty of defining and, at the same time, preserving local discretion, which is the only way in which we can arrive at a common sense definition as to which are the deserving charities and which are not. That is what the new clause does by the simple method of freezing the position of these organisations for three years, and requiring local authorities to give three years' notice if they wish to increase the rates to be paid by them.

"The result will be that whatever sympathetic under-valuation a charity now enjoys under the old system, that will be automatically carried over into the new system and converted into a percentage remission of rates. We shall get these organisations established on the new system without prejudice to their rate burden. Local authorities will then, of course, be able to revise these benefits and increase the rates payable by these organisations if they so decide, but if they do—and this is important—it will happen not just as part of the process of re-organising themselves on the new basis but as a result of a decision by the local authority applying its mind to the merits of each individual organisation. It will not just happen by mistake and—and this is the essence of this proposal—there will be a three years' warning." (Hansard, 6th July, 1955, column 1155.)

After debate the clause was added to the Bill, and the Bill received the Royal Assent on 27th July, 1955.

52. Three facts of some importance stand out from this brief account of the passage of the Bill through Parliament. First, it provided the first statutory relief from rates for charities as such, and the first endorsement by Parliament of the reliefs previously given extra-statutorily by local government in a variety of forms. Secondly, the element of mandatory relief was introduced by the Government not, initially, as a matter of Government policy but in deference to the wishes of the House of Commons after a provision relying entirely upon local discretion had been criticised from all quarters. Thirdly, this particular enactment was designed as a holding provision and was never intended as a permanent arrangement.

2. THE PROVISIONS OF SECTION 8

53. Subsection (1) of Section 8, which is reproduced in Appendix IV, defines the hereditaments to which the section applies. These are:

- "(a) any hereditament occupied for the purposes of an organisation (whether corporate or unincorporate) which is not established or conducted for profit and whose main objects are charitable or are otherwise concerned with the advancement of religion, education or social welfare;
- (b) any hereditament held upon trust for use as an almshouse;
- (c) any hereditament consisting of a playing field (that is to say, land used mainly or exclusively for the purposes of open-air games or of

open-air athletic sports) occupied for the purposes of a club, society or other organisation which is not established or conducted for profit and does not (except on special occasions) make any charge for the admission of spectators to the playing field:

Provided that this section shall not apply to any hereditament to which section seven* of this Act applies, or to any hereditament occupied by any authority having, within the meaning of the Local Loans Act, 1875, power to levy a rate."

54. By virtue of Section 8 (2) (a) no more was to be charged in rates in respect of these hereditaments in the first year of the new valuation lists (1956-57) than was charged in the preceding year. If, as a result, the rates charged for 1956-57 were less than they otherwise would have been, then, under Section 8 (2) (b), the rates for later years were to be reduced in the same proportion. The Fifth Schedule to the Act, which is given effect by the proviso to subsection (2) of Section 8, modifies the application of subsection (2) in certain circumstances. For example, if the rateable value of a hereditament within the section was altered with effect from a date part-way through 1956-57, the amount of rates chargeable for the period 1956-57 preceding that date was not to exceed the amount of rates chargeable for a corresponding part of 1955-56; and the relationship between these two amounts determines the proportionate relief for the remainder of 1956-57 and for subsequent years.

55. The relief given by Section 8 (2) (b) is modified by the provisions of section 1 (6) of the Rating and Valuation Act, 1957, the purpose of section 1 of which was to narrow the gap between houses, private garages and private storage premises, all valued at 1939 rental values, and other buildings, valued at current rental values. That purpose was achieved by a reduction in the rateable values of the other buildings by one-fifth (or one-seventh if, incorporating living accommodation, they had been partly valued at 1939 rentals). Many hereditaments occupied by charities and kindred bodies have benefited by this reduction in rateable values, which applies until the next new valuation lists come into force. (Under section 1 of the Rating and Valuation Act, 1959 (7 & 8 Eliz. 2, c. 36), new lists are due to come into force on 1st April, 1963.) But the two reliefs are not cumulative: that under Section 8 is now measured *after* taking into account the relief afforded by the Act of 1957. Section 1 (6) of the latter Act provides that the proportion of relief under Section 8 (2) (b) in 1957-58 and subsequent years is to be calculated as though the rates which, apart from Section 8, would have been chargeable for 1957-58 had been one-fifth (or one-seventh) less than they actually were. One result has been that some 2,850 hereditaments which had an aggregate rateable value of £841,000 and which had been partially relieved of rates under Section 8 (2) in 1956-57 lost their relief under that section in 1957-58†.

56. For the time being at least, the bodies to which Section 8 (2) applies have an assured measure of relief. Their rate payments are not frozen at

* Section 7 applies to churches, church halls, etc., exempting them from rates unless they are let for profit.

† Figures compiled from returns made by local authorities in response to Ministry of Housing and Local Government Circular No. 14/58.

the amount payable in 1955-56; but as rates rise they secure the same proportion of relief as they secured in 1956-57, adjusted to take account of any derating they secure under the Act of 1957.

57. The temporary nature of the relief under Section 8 (2) is brought out by the provisions of Section 8 (3), which enable local authorities to reduce or withdraw the relief upon giving not less than three clear years' notice. The courts had held, in *Westminster City Council v. University of London, King's College* ([1958] 1 W.L.R. 920), that a notice could take effect on 1st April, 1960, but provision has since been made in section 2 of the Rating and Valuation Act, 1959 for postponing until 1st April, 1963 the effect of any notices duly served to end relief before that date.

58. The discretionary power for local authorities to reduce or remit the rates payable in respect of a hereditament to which Section 8 applies, which the Government proposed in the Bill as originally introduced, was retained in the Act of 1955 as subsection (4) of Section 8.

3. SECTION 8 IN OPERATION

Financial effects

59. The financial effects of Section 8 are summarised in Appendix VIII. Local authority returns showed the amount of the relief from rates enjoyed by charities and kindred bodies under Section 8 in 1957-58, and the use made by local authorities of their discretion to reduce or remit rates, or to give notice to discontinue mandatory relief under the section, by the end of that year. It can be deduced from the figures that before 1956-57 hereditaments occupied by charities and kindred bodies were materially under-valued as compared with other hereditaments of a broadly similar nature. What cannot be discovered in them is any regular pattern of reliefs (and to this extent the averages quoted are capable of being misleading), and there is no indication of the extent to which under-valuation was a deliberate gesture of sympathy on the part of the local authority then responsible for rating valuation. Rounded, the salient figures are as follows:

- (i) 53,600 hereditaments, with an aggregate rateable value of £6,491,000, and a rate liability (apart from Section 8) of £5,819,000, were relieved of £2,576,000 in rates, an average relief of 44 per cent.*
- (ii) Of the £2,576,000 remitted (44 per cent), mandatory relief under Section 8 (2) (b) accounted for £2,406,000 (41 per cent) and discretionary relief under Section 8 (4) for £170,000 (3 per cent). Of the latter, over four-fifths was given in respect of hereditaments which otherwise had no relief under the section, and over one-third in respect of those which failed on "technical" grounds only to qualify for mandatory relief.

* It has been suggested that because they enjoyed partial relief from rates under Section 8 many charities and kindred bodies who might otherwise have secured substantial reductions in rateable value refrained from making proposals to that end. It is obviously impossible to evaluate any potential reductions of this kind but, even if the suggestion is well-founded, we do not consider that the reductions would have materially affected the general picture presented by these statistics.

- (iii) The classes of hereditament which benefited most in terms of cash under the section were universities*, with £921,600 remitted, and schools†, with £271,000 remitted.
- (iv) As a class, almshouses secured the highest proportionate relief (56 per cent); official residences of clergy, and of church officers and servants, the lowest (25 per cent).
- (v) By the end of 1957-58, notices under Section 8 (3) to reduce or discontinue relief had been served in respect of 30,800 hereditaments of £5,154,000 rateable value. Only a very small number of these specified a reduction. The great majority gave notice to end relief. 1,300 were stated in the returns to have been served with the intention of discontinuing relief permanently, and a further 18,800 were stated to have been served merely in order to restore complete discretion to the rating authority.
- (vi) 44,500 of the hereditaments were described in the returns as serving the needs of people in the particular rating area; 9,100 as serving a wider area, which was sometimes international. The aggregate rateable values of these groups were respectively £2,344,000 and £4,147,000.

60. To put the matter in its proper perspective it is necessary to mention that the aggregate rateable value of the hereditaments relieved under Section 8 is little more than one per cent of the aggregate for all hereditaments in England and Wales, and that the rates remitted in the year 1957-58 represented about one-half of one per cent of the rates levied. In a few areas, however, the rateable value of properties within Section 8 forms a substantial part of the total rateable value for the area.

61. The importance of the relief to individual charities and kindred bodies is more difficult to gauge. We asked witnesses for information about their income and expenses and, although we did not get enough to enable us to make a full assessment, the general picture was clear. It was that while some bodies could have paid full rates without any material effect on their activities, the denial of relief would seriously hamper or curtail the activities of a great many, although it would rarely be sufficient to put them completely out of action. In some cases rates would be the largest item of expenditure if they had to be met in full.

Defects as a permanent provision

62. The amount of relief is largely governed by chance. If the buildings occupied by an organisation have increased little in value, the organisation gets little relief. On the other hand if the increase in value has been substantial, the proportion of relief will be large, although the organisation receiving the greater relief may be less deserving or needy than the other. The section has frozen into the rating system for the time being the effects of a large number of inequalities and anomalies in valuations which existed before the 1956 revaluation. Some of these were the results of local

* Includes colleges (other than theological colleges and teachers training colleges), halls of residence, research institutes, lecture rooms, etc.

† Does not include county schools (excluded from Section 8, and fully rated) or voluntary schools (exempt).

decisions to give sympathetic under-valuation, but some were purely adventitious—the consequence, for example, of the absence of general revaluation for a period of over 20 years, or of unintentional under-valuation or over-valuation at the last general revaluation. Yet other anomalies have resulted from the different proportions in which values generally rose in different areas upon revaluation, and from the different proportions in which the rate call in different areas increased between 1955–56 and 1956–57: even without the revaluation, these increases in rate call would have taken the form of increases in rate poundages, which would have applied to organisations within the section as well as to other ratepayers. Moreover, because the proportion of relief is established by the relationship between the normal rate charge on the property in 1955–56 and that in 1956–57, and does not alter if the valuation is reduced with effect from a later year, the section has the further anomalous effect that it gives more relief to a body which secures a reduction in rateable value if the reduction results from a proposal served after 1956–57 than if it results from a proposal served during that year.

63. So that none of the “deserving charities” referred to by the Minister (paragraph 51 above) should be denied the temporary protection of Section 8 (2), the scope of the section was deliberately made wide. In consequence it relieves some bodies which would normally have been expected to pay full rates. On the other hand, it gives no relief as of right to hereditaments which came for the first time within the definition in the section after 1955–56, or which though within the definition in 1955–56 were not rated in that year (*Horace Plunkett Foundation v. St. Pancras Borough Council*, [1958] 1 W.L.R. 30). Among the organisations so affected are those which were treated as exempt under the Scientific Societies Act, 1843 before 1st April, 1956, but have since lost that exemption (paragraph 33 above).

64. Viewed as a holding provision, Section 8 appears to have worked reasonably well, although unfortunately it has given rise to a disproportionate volume of litigation. As a permanent solution it would be indefensible, for as such it is devoid of both principle and logic.

PART III. RECOMMENDATIONS FOR THE FUTURE

1. THE GENERAL CASE FOR AND AGAINST ASSISTANCE BY LOCAL AUTHORITIES

65. The rating system to-day provides a practical basis for local taxation. It has evolved, in over three hundred and fifty years, from something akin to an income tax levied to relieve the poor into a tax on the occupation of land levied to pay for a wide range of social and environmental services other than the relief of the poor. It has become a patchwork system which it is easy to denigrate but for which no acceptable replacement has so far been found. There is much in it that is arbitrary, and perhaps not the least arbitrary feature has been the granting of reliefs. We think that it is impracticable to eliminate all elements of arbitrariness: in considering charities and kindred bodies our object has been to find a reasonable balance of conflicting arguments and interests, consistent with simplicity, certainty and economy in administration.

66. We sought the views both of local authorities and of charities and kindred bodies as to the justification for the giving of assistance by the former to the latter. As might be expected these views embodied representations which have been urged on many previous occasions. They are summarised in the following paragraphs.

The case made by charities

67. It is contended for many charities and kindred bodies that they merit relief from rates because they confer on the public benefits far exceeding in value the amount of the relief they receive. If they discontinued their activities local authorities themselves would often have to provide the services. The cost would then fall on the rates and would generally be substantially higher, for voluntary service and voluntary contributions would not be available to keep it down. Even so, some kinds of work could not be as well done by local authorities, nor are local authorities always as well-fitted to embark upon experiments in social welfare.

68. Voluntary endeavour was represented to us as an essential ingredient of the British way of life, deserving as such of encouragement by the community. Central government gives encouragement by relieving charities of income tax. There should be like encouragement from local authorities by relief from rates. It was wrong that Government, whether central or local, should divert to its own use moneys given or bequeathed for other public purposes.

69. It was suggested to us on behalf of some of the organisations that partial relief from rates was justified because they did not directly benefit from particular local government services. They should not, for example, be rated for “national” services, such as education.

The case made by local authorities

70. Our local government witnesses did not question the value of the work undertaken by many of the organisations within our terms of reference. Moreover, they recognised that some of the organisations needed and deserved financial assistance from local authorities. Although there were important exceptions most of the local government witnesses were opposed to mandatory rate relief. Some of them, considering it wrong in principle to discriminate for rating purposes between one property and another, were also opposed to discretionary rate relief, preferring any assistance to be given directly and openly by way of grant—for they considered rate relief to be a hidden subsidy. Mandatory rate relief was regarded as particularly objectionable because it could not fail to give assistance in some instances where it was neither needed nor deserved; and rate relief of any kind weakened the effectiveness of the rating system and eroded the rateable resources of local authorities so that other ratepayers had more to pay in rates.

71. Those who were prepared to see some organisations given mandatory relief, and others whose views were subject to their over-riding objection to rate relief, were generally agreed that any mandatory relief should be confined to a strictly limited class. Although their views as to the limits of the class were not unanimous there was a consensus that there should be no relief, or at most relief at a lower rate, for hereditaments (such as the headquarters offices of national organisations) used for activities extending beyond the

rating area, and for hereditaments occupied by organisations which are largely dependent for their income on Exchequer assistance. Several witnesses considered that there should be Exchequer compensation for any rates remitted, although some thought that the compensation need not extend to rates remitted at the discretion of the local authority.

The justification for assistance

72. These arguments raise a series of issues of which the first is whether local authorities should give financial assistance in any form to charities and kindred bodies. Our view is coloured by three general considerations. First, it is widely accepted by local authorities and, as the debates on the Bills in 1955 clearly indicate, by the public at large that some organisations need and deserve assistance from local government. Secondly, assistance to charities and kindred bodies is not a new conception, for there is a long, if chequered, history of rating relief. Thirdly, many of these bodies are at present receiving other kinds of assistance from local authorities, often concurrently with rate relief, by way of grant, or assistance with accommodation and other facilities for carrying out their work.

73. In short, we judge that the general case for assistance to charities and kindred bodies by local authorities is not seriously contested. Our main task therefore has been to consider the form which assistance should take; whether and to what extent it should be mandatory or discretionary; to what organisations relief should be given, and in what measure.

2. THE FORM OF ASSISTANCE

Assistance by way of grant

74. Three associations of local authorities and two local authorities in their evidence submitted that, for the reasons explained in paragraph 70, any financial assistance to charities or kindred bodies should be given by way of grant rather than by way of rate relief. They recognised that to make grant fully effective as a substitute for rate relief it might be necessary to extend the powers of local authorities to make grants.

75. Few of the charities and kindred bodies commented upon the relative advantages of grants and rate relief, but those which did were firmly of the opinion that grants were not a satisfactory substitute for rate relief. Grants tend to be paid principally to established organisations which have proved their value to the community; rate relief gives a far more general encouragement to the promotion and growth of organisations. Grants tend to be payments by results; rate relief encourages initiative and good intention, applying (as one of the charitable bodies put it) "equally to gallant failures and to resounding successes". The pioneering of new work may require bold experiment which a conscientious local authority would hesitate to aid with grants from rate revenues. An organisation speaking for a wide variety of charities and kindred bodies observed that—

"The grant policies of local authorities frequently vary from year to year, from district to district, and in the type of activity assisted.

"At one period there will be a general trend to assist, for example, the development of the youth service, boys' and girls' clubs, etc., and this will be shown in the capital grants for premises and in annual grants

towards their maintenance. After a few years, owing perhaps to a change of outlook, or restriction in capital expenditure, or for purely local reasons, these grants may quite suddenly decline.

"In the general welfare services, such as those for old people or the physically handicapped, considerable divergencies of practice are revealed from area to area. Some authorities may accept the voluntary agencies as the main channel of effort and support them accordingly; others would appear to postpone exercising their powers until they are in a position to undertake services directly themselves."

76. Other witnesses alleged that little use was made by local authorities generally of their existing powers to make grants. Some statistical information about the grants made is summarised in Appendix VIII. The total of contributions reported as having been made in 1957-58 to bodies either exempt under the Act of 1843 or eligible for relief under Section 8 of the Act of 1955 was £1,558,000. These grants were heavily concentrated on certain classes of organisation. Universities received £786,000 in grants as compared with £922,000 in rate relief. Social welfare organisations for the benefit of the young, the aged and the community in general together received £468,000 in grants as compared with £350,000 in rate relief. The remaining classes, by contrast, received in aggregate only £304,000 in grants compared with £1,304,000 in rate relief.*

77. The argument that relief from taxation is tantamount to a hidden subsidy has been advanced before. It formed part of the Government's case in 1863 for their proposal to abolish the exemption of charitable bequests from income tax. Despite what Mr. Disraeli called a "glittering oration of two hours and a half" from the Chancellor of the Exchequer (Mr. Gladstone), the House of Commons were plainly opposed to the proposal and it was withdrawn.

78. We consider that the arguments made by the charitable organisations should succeed. The powers of local authorities to make grants to these organisations are limited and, although it would no doubt be possible to extend them, grant is not in our view always an effective substitute for assistance by relief from rates. Apart from that we do not consider that the case has been made out for a sweeping change in the form of assistance.

Special basis of valuation

79. One or two of our witnesses suggested that a special basis for the valuation of hereditaments occupied by charities and kindred bodies would produce an equitable result and make rate relief unnecessary. They might, for example, be valued at the rent which they would command if they were available for letting only to organisations of the kind actually occupying them. It was recognised that there were difficulties in this suggestion. Evidence on behalf of the universities, the Oxford colleges and the Cambridge colleges drew our attention to what these bodies consider to be the inappropriateness at the present time of the contractor's test as a basis for valuing hereditaments of this kind. The contractor's test is one of the

* The figures of rate relief in this paragraph are of relief under Section 8 only. On the basis of the estimated rateable values, quoted in paragraph 35, of hereditaments exempt under the Act of 1843, the value of that exemption in 1957-58 was of the order of £100,000; but this amount cannot be apportioned among the different classes of bodies.

methods of valuing hereditaments of a kind for which, because the hereditaments are never let, there is no direct evidence of rental values. In broad terms, in valuing a university building the cost is estimated of providing a building giving equal accommodation and being equally suitable for the purposes of the university, but with everything of a merely ornamental or memorial character omitted; and an appropriate percentage of this effective capital value, representing interest on capital, is taken as the net annual value (*Oxford University v. Oxford Corporation (No. 1)* (1902), Ryde and Konstam's Rat. App. 87), but this is subject to consideration in litigation which is pending at the signing of this Report. Local government witnesses generally were opposed to any interference with the basis of valuation.

80. Questions of valuation, as opposed to rating, are outside our terms of reference, and we make no recommendation.

Forms of rate relief

81. It was generally agreed by our local government witnesses that if rate relief had to be given to charities and kindred bodies it should be by way of rate remission or reduction rather than by way of reduction of the values appearing in the valuation lists. They considered that derating falsified rateable values; concealed the assistance given from rates; was prolific of litigation; and was administratively inconvenient, since on a change of occupier the valuation list would have to be amended. We accent these as valid criticisms.

82. We recommend that relief from rates, whether mandatory or discretionary, should be given by way of rate reduction or remission, and not by derating.

3. MANDATORY OR DISCRETIONARY RELIEF

83. The majority of our local government witnesses considered that if charities and kindred bodies were to have relief from rates, it should be, as in Scotland*, at the discretion of the local authority and should not be fixed by statute. A minority took the opposite view.

84. It was represented that, although the desire to be fair may superficially seem to be served by general legislation, fairness can in reality be achieved, and anomalies avoided, only by leaving rating authorities with complete discretion. The question whether an organisation deserves relief can be better determined from a local knowledge of its nature and work than by a statutory provision which distinguishes between organisations by reference to their constitutions and formal objects. Finally, some witnesses submitted that assistance to charity was essentially a matter of conscience, and these witnesses considered that rate relief should be granted only in exercise of discretion.

85. The view of the minority of local authorities which were in favour of mandatory relief rested partly on a desire to secure ease of administration. Unless discretion in this field were surrendered, there would be uncertainty and arbitrary confusion in contrast with the uniform standards otherwise established in rating throughout the country. A further disadvantage of discretion was that, however fairly claims were dealt with, one organisation

* The power is contained in section 23 (1) of the Valuation and Rating (Scotland) Act, 1956 (4 & 5 Eliz. 2, c. 60). Section 23 (1) is reproduced as Appendix V.

or another would feel a sense of grievance. Some other local government witnesses also recognised that a measure of uniformity of relief was desirable and suggested possible methods of promoting it without derogating from the principle of local discretion. One suggested the limitation of the proportion of relief which rating authorities would have discretion to allow. Another suggested that each local authority should be required to publish annually the scheme of relief which it would apply in the coming year.

86. A small minority of the witnesses speaking for charities and kindred bodies were content to rely upon the discretion of local authorities, although all but one of them wanted it coupled with central guidance from a Minister of the Crown. All the other witnesses for these bodies considered that a measure of mandatory relief was essential, and their general view was that if the mandatory relief were only partial local authorities should have discretion to increase it. They advanced a variety of arguments against total reliance upon the discretion of local authorities. Some based their objection to it upon their experience of the refusal of local authorities to exercise the discretion which they have under subsection (4) of Section 8 to reduce or remit rates. Some thought that organisations which were conducted for the benefit of an area wider than that of the rating authority, and especially national and international bodies, would rarely secure relief. Others questioned the ability of local authorities to assess the relative merits of claimants for relief. Several feared that the decisions of local authorities might be influenced by extraneous considerations, such as political, religious or personal prejudices among their members, the size of the local authority's rate resources, the prosperity or poverty of the area, or the effects of inflation. Changes in the membership of local authorities or their committees or even changes in their staff might lead to the cancellation of relief. Many witnesses referred to the difficulties which organisations would have in budgeting for their future activities if the amount of their rates were liable to increase substantially at short notice: in some instances the scope for quick compensating reductions in expenditure was very limited. Mandatory relief, on the other hand, made for simplicity of administration for both the local authorities and the organisations.

87. The fact that before 1956-57 the great majority of the bodies within our terms of reference were entirely dependent upon sympathetic under-valuation by local authorities without statutory sanction is a cogent argument against the need for mandatory relief. But it was certainly no less cogent in 1955, before any measure of mandatory relief was introduced and when, as we have noted, Parliament was unwilling to leave rate relief for charities and kindred bodies entirely a matter for the discretion of local authorities.

88. While the practice of sympathetically under-valuing charities seems to have been widespread when local authorities were responsible for rating valuation, it was not uniform, and it does not seem to have been based upon any clear principles or to have been followed consistently: it has led to the different treatment of different charities in the same area, and of the same charity in different areas. We think that the time has come to introduce a measure of uniformity and certainty into the rating reliefs enjoyed by bodies within our terms of reference. A satisfactory scheme should be simple and economical to administer and should not add

materially to the rates borne by other classes of ratepayer. In our view the essential basis should be mandatory relief for the great majority of the classes of organisation which have in the past enjoyed some measure of relief.

4. THE FIELD FOR MANDATORY RELIEF FROM RATES

Generally

89. The general view of our witnesses is that Section 8 is unacceptable as a permanent provision. We share that view. We also accept the evidence of local authority witnesses that some organisations which had never in the past been sympathetically under-valued are now getting relief under Section 8. We see no justification for giving permanent rate relief to all the organisations in so wide a field, and we have considered various suggestions for limiting it.

90. One witness suggested the appointment of a panel to consider the qualifications of contenders for relief and determine their claims on merits. We think that this arrangement would be unacceptable to both the local authorities and the organisations as an alternative to a statutory definition of the organisations which are to have relief. Another proposed that the organisations to have relief should be named in any legislation. This proposal has the merit of certainty, but the demerit of dealing only with bodies already established; and it would entail, in advance of legislation, the vast and invidious task of considering and determining individual claims to be listed. A third suggestion, to which similar objections apply, is that any general definition should be subject to the exclusion of numerous named bodies or small categories of bodies. A fourth suggestion was that a set of conditions should be prescribed by statute which any applicant must satisfy before qualifying for rate relief. In the light of experience of the way in which Section 8 and the Act of 1843 have worked we are satisfied that a solution of this kind would leave a wide area of uncertainty and would give rise to a volume of litigation out of all proportion to the size of the problem and the money involved in it. Moreover, we have satisfied ourselves that no such tests would in fact produce results which, as it seemed to us, public opinion would fully endorse.

91. Indeed, we think it is plain that, however the field is defined, the results will be to some extent arbitrary, and the solution we propose is the arbitrary one of giving mandatory relief to charities. These bodies have for long enjoyed special privileges under the general law and appear in practice to have been the principal beneficiaries in the past from sympathetic under-valuation by local authorities.

92. This solution may admit to relief a number of bodies which are not particularly in need or deserving of relief—the sort of body which the man in the street would not ordinarily, in the view of some of our local government witnesses, regard as charitable. We do not think that this result can be avoided. It is doubtful whether there would be even near-unanimity among the general public as to the charities to which the privileges of charitable status should be denied but, even if there were, we can see no justification in principle for redefining the term “charity” for rating purposes only. If charity is to be given some new statutory meaning, the

new definition should apply equally for all purposes. In fact, the Government have only recently rejected proposals for a new definition of the term for general purposes*.

93. A further reason for leaving “charity” with the same content for rating purposes as for the purposes of the general law is the proposal later in this Report to make registration for the latter purposes conclusive as to entitlement to mandatory rating relief (see paragraph 119). This proposal makes an important practical contribution to ease and simplicity of administration. Finally, as we note later in the Report, the ultimate financial effect on other ratepayers will generally be small; the effect of any change in the definition of “charity” would necessarily be even smaller.

94. The proposal to confine mandatory relief to charities must exclude from relief other organisations which are clearly both in need and deserving. We recommend that these organisations on the fringe of the field of charity should be eligible for relief at the discretion of the local authorities. The alternative would be to extend the field entitled to statutory relief so as to bring these bodies within it, but their inclusion would make the field unacceptably wide: something of the kind was attempted in Section 8 with the result that wealthy golf clubs qualified for relief equally with the playing fields occupied by boys’ clubs. Furthermore, any addition to the field entitled to mandatory relief raises problems of identification which detract materially from ease and simplicity of administration.

95. Relief should be given only in respect of those hereditaments which are occupied for the purposes of the charity and not, for example, in respect of hereditaments held as an investment. Almshouses need a specific reference, however, for they may be rateably occupied by the charity providing them or by the almshouse themselves. We do not think that the factors which decide who is the rateable occupier of a particular almshouse are relevant to the issue of rate relief, and it is desirable that almshouses should be specifically mentioned as entitled to mandatory relief, just as they are named in Section 8 of the Act of 1955.

Possible exceptions to the general rule

96. Although the considerations already referred to led us to the general conclusion that the field for mandatory relief should be neither larger nor smaller than that of “charity”, we gave particular attention to the arguments put forward by some of our local government witnesses that two particular groups of charities should be excluded: the first group was of charities serving more than a local need; the second group was of charities which were not substantially dependent upon voluntary contributions. As to the first group, several of our local government witnesses urged that bodies which serve the needs of an area wider than the rating area in which they occupy property—and more particularly national organisations—should have no mandatory relief from rates in respect of that property. They considered it wrong that when benefits were widely shared any increase in rate poundage consequent upon the relief should be confined to one rating area.

97. Mainly because of the practical difficulties in defining and identifying the bodies which should be excluded from relief on these grounds, we are

* *Government Policy on Charitable Trusts in England and Wales*, Cmd. 9538, July 1955: paragraph 3.

unable to accept this view. These difficulties we believe to be very considerable. How, for instance, in view of the enormous variety of charitable activity for the public good are benefits to the local rating area to be defined and measured? Who is to do the assessment? If a "local" charity should benefit one person outside the area of the rating authority is it thereby to be excluded from rating relief? How is one to treat a national organisation which benefits the local area as well as farther afield? In our opinion any attempt to separate charities of purely local benefit from others would lead to absurdities in practice and would go far to defeat simplicity and certainty in administration. Altogether any such attempt would, in practice, give more trouble than its worth both to local authorities and to charities. In our view that the proposal is unacceptable we have been strengthened by two considerations. First, there is nothing in the returns of rate relief under Section 8 in 1957-58 to suggest that local bodies generally have received more favourable treatment than the others in the past. (Appendix VIII, Table 5.) Secondly, hereditaments occupied by other than local charities are distributed throughout England and Wales and the effect on local finances of giving them relief is slight except in a few special cases, such as the four mentioned later in paragraphs 108 and 109, where their rateable value is disproportionate to the rateable value of the area as a whole. County precepting arrangements or the payment of Rate-deficiency Grant, or both, minimise the effect on individual rate-poundages of other instances of unevenness in the distribution of the rateable values of charities among rating areas.

98. We have also considered the proposal that bodies which are not dependent for a substantial part of their income upon voluntary contributions should be excluded from mandatory relief or, alternatively, that substantial dependence upon Exchequer assistance should disqualify a body for relief. Here again, quite apart from the merits, the practical difficulties are considerable. The construction of the words "substantial" (or any corresponding word or phrase) and "voluntary" could cause much litigation: the difficulties which have arisen from the use of similar words in a similar context in the Act of 1843 have been described in paragraphs 42-44. Moreover among these bodies are some which receive and give a great deal of help in the form of direct voluntary service. They are certainly no less deserving of encouragement and assistance from local authorities because only a small part of their relatively small income is derived from voluntary contributions. Other bodies are not substantially dependent upon voluntary contributions because they make charges for the services they provide. Some of them provide these services to people who, in the view of some of our local government witnesses, could well afford to pay the extra money which the bodies would need if they were fully rated. But it would be impracticable to distinguish between charities by reference to the means of the people whom they benefit; and a general exclusion of charities which make charges would certainly penalise many worthy bodies which provide services to those in need. With the alternative test, namely the receipt of Exchequer assistance, there are similar difficulties: for example, what degree of Exchequer assistance should disqualify for rating relief? It seems to us moreover that the grant of Exchequer assistance can be regarded as a recognition that the charity is engaged on

work of value to the public, and therefore to confirm rather than impugn its title to relief. Either test would in particular discriminate, for rating purposes only, against educational charities, which constitute as a class a large and important sector of the field of charity, and one of its oldest forms.

99. We have therefore had little difficulty in agreeing that, with regard to charities in general, there should be no exclusion from relief on the ground that the body is national or on the ground that it is in receipt of Exchequer grant or of fees, or because its voluntary income is small. We are satisfied that the practical arguments against such exclusion are strong; that the exclusion would greatly complicate the scheme for relief; and that it would have only a marginal effect on local authorities' income.

The universities

100. There is, however, one category of charity providing more than a local service, largely dependent on Exchequer grants and partly dependent on fees, to which we felt that we had to give special attention. We refer to universities and their colleges. Some of the arguments against exclusion from relief do not apply with the same force to them as to charities in general. First, they are a clearly defined class and to exclude them from relief would give rise to no administrative difficulty. Secondly, the aggregate rateable value of the hereditaments concerned is large and in some cases forms a substantial proportion of the total rateable value within a rating area, so that the effect of giving relief may not in these cases be marginal.

101. It seemed to us that an important practical point to examine was the financial effect on local authorities of including these bodies in the mandatory relief of 50 per cent which we recommend below for charities in general. For this purpose it is necessary to examine the rateable values of the hereditaments concerned, the distribution of the hereditaments among the rating authorities, and the effect of certain features of local authorities' finance on the final result of granting a mandatory relief.

102. In 1957-58 the rateable value of university institutions constituted 29 per cent of the total rateable value of all hereditaments enjoying relief under Section 8: the percentage which it represented in the total rateable value of charities alone must have been higher still and, subject to the outcome of the test cases referred to in paragraph 112, will increase with the substantial programme of new university building which lies ahead. The hereditaments occupied by university institutions in England and Wales in 1957-58 were distributed among some 70 rating areas. The majority are in large urban areas where their rateable value constituted only a small proportion of the total rateable value of the area. But in eleven areas the proportion exceeded 3 per cent, being highest in the Cities of Cambridge (20.2 per cent) and Bangor (17.1 per cent). It might therefore be expected that the effect of mandatory relief for university institutions upon the finance of local authorities would be very uneven. Before accepting this as the final conclusion, however, it is necessary to take account of the whole system of local authority finance as it is at present operated.

103. The effect of any rate relief in a county district* is always moderated by the operation of the system of county precepts. In a county district the total rate poundage levied comprises two main elements—a rate for district purposes and a rate for county purposes. In broad terms, the district rate poundage is determined by dividing the amount required to be raised in rates for district purposes by the product of a rate of a penny in the pound levied in the district; the county rate poundage is determined by dividing the amount required to be raised in rates for county purposes by the product of a rate of a penny in the pound levied throughout the county. If the respective amounts to be raised in rates are given, the rate poundage for district purposes will vary inversely with the penny rate product for the district, and the rate poundage for county purposes will vary inversely with the penny rate product for the county. Rate relief given in any one district of the county will produce a reduction in the penny rate product for that district and a proportionately *smaller* reduction in the penny rate product for the county. With the amounts of rate revenue required for district and county purposes unchanged, therefore, both district and county rate poundages will need to be raised as a result of the relief but the increase in the county rate poundage will be proportionately smaller than the increase in the district rate poundage.

104. The effect of the relief will be further moderated in a county district, and will be moderated in a county borough, if the county district or the county on the one hand or the county borough on the other qualifies for Rate-deficiency Grant. This grant is payable to any county, county borough, or county district council in whose area a rate of a penny in the pound produces a smaller amount per head of population than the national average. In effect, the grant brings the county, county borough or district resources up to the national average. In consequence, if a university institution is situated in the area of a local authority which, even with the university institution fully rated, is entitled to Rate-deficiency Grant, that authority's "loss" of rates when the university is relieved is made good by the grant (the effect of relieving universities on the national average penny rate product per head of population being negligible), and relief to the university does not necessitate an increase in rate poundage.

105. The eleven rating areas with more than 3 per cent of their rateable value in university institutions comprise one county borough (the City of Oxford); two metropolitan boroughs (Holborn and St. Pancras); four non-county boroughs (Aberystwyth and the Cities of Bangor, Cambridge and Durham); one urban district (Oadby); and three rural districts (Chesterton, Newcastle-under-Lyme and Wokingham). The effect upon these areas of excluding university institutions from relief has been estimated for us by the Ministry of Housing and Local Government in terms of the true rate for 1957-58, and on the assumption that the provisions of the Local Government Act, 1958, had been in force in that year, with the results set out in Appendix VI.

* The term "county district" ordinarily comprises boroughs (other than county boroughs and metropolitan boroughs), urban districts and rural districts. In this and the following three paragraphs the expression is used to include also metropolitan boroughs.

106. It will be seen that the effect is negligible in the five county districts (Bangor, Oadby, Chesterton, Newcastle-under-Lyme and Wokingham) which qualify for Rate-deficiency Grant in their own right and are in counties which also qualify.

107. Neither Holborn nor St. Pancras Metropolitan Borough, nor the County of London, qualifies for Rate-deficiency Grant, but whilst the relief for university institutions would increase the rate poundages for the boroughs' own purposes by about a penny, it would add less than a half-penny to the rate poundage for county purposes.

108. Aberystwyth Borough and the Cities of Cambridge and Durham are in counties which qualify for Rate-deficiency Grant, and in none of these would the poundage for county purposes be materially affected by the relief. Neither of the first two would qualify for the grant with universities relieved of 50 per cent of their rates, however, and so neither would be compensated for the relief by the grant as regards the rate for district purposes. The City of Durham, which would not qualify for grant if the universities were fully rated, would so qualify with the universities 50 per cent relieved, and so would be partly compensated for its loss. The order of the amounts by which the true rates in these areas would be lower with university institutions fully rated than with those institutions relieved of half their rates is: Cambridge City, 8d.; Aberystwyth Borough, 2½d.; and Durham City, 3½d.

109. Oxford City does not qualify for Rate-deficiency Grant and, being a county borough, is not subject to a county precept. There the effect of the relief upon rate poundage is not moderated at all and since, broadly speaking, the rate poundage varies inversely with the product of a penny rate, the true rate poundage for the area would be about 1s. 2d. lower with university institutions fully rated than with them relieved of half their rates: over 14 per cent of the City's rateable value is in university institutions.

110. It should be observed that these figures all relate to the effect on poundages of the difference between 50 per cent relief and no relief at all for university institutions. The effect of converting the existing Section 8 relief to 50 per cent relief for all hereditaments (including university institutions) at present relieved is given in columns (2) and (4) in Appendix VI.

111. All these calculations are based upon the present scheme for Rate-deficiency Grant, introduced by the Local Government Act, 1958. A different scheme might have produced different results, but this scheme forms part of the context within which we must consider the questions before us.

112. From the calculations we have described it would appear that in the case of only four of the seventy rating authorities in whose areas there are hereditaments occupied by university institutions would the effect of including university institutions in mandatory rate relief be other than slight. Should all university institutions throughout the country be excluded from mandatory relief because of the effect on the finances of these four local authorities? We have given much time and thought to this question, bearing particularly in mind the strong representations made to us by the Oxford and Cambridge city councils, which broadly follow those of local authorities in general already referred to, though with the universities particularly in mind. At the time that this Report was being prepared, the universities were seeking reductions in valuations based on a method of valuation different from the

contractor's test (which is briefly described in paragraph 79 above). Questions of valuation are, as we have said earlier, outside our terms of reference, and at the time when this Report was being drafted the test cases had not been finally determined. We were, however, informed by the Committee of Vice-Chancellors and Principals of the Universities of the United Kingdom that if the universities succeeded in the test cases they would hope for legislation to confirm the new basis of valuation and that if they failed they would ask for legislation to give them what they seek. The values having been so fixed, the universities would not ask for any discrimination in their favour in respect of their rate liability. The evidence on behalf of the Oxford and Cambridge colleges followed a similar line of reasoning but—as alternatives to a new basis of valuation—they would press for relief in other forms, including partial mandatory relief from rates. The Oxford and Cambridge colleges stand in a different relationship to the Exchequer from university institutions in general; for while the Universities of Oxford and Cambridge receive Exchequer assistance through the University Grants Committee, the colleges themselves receive no such aid directly and can benefit only indirectly in so far as their universities may make smaller demands on them for financial support because of the grants which the universities receive.

113. Our conclusion on balance is that the exclusion of all university institutions from relief would not be justified by the effect of the relief upon the four rating areas most affected. Clearly all universities must be treated alike in this respect and to deny to this one group of charities—a group of outstanding importance and worth—the relief granted to all other charities would in our opinion require stronger arguments than have been presented to us.

5. THE FIELD FOR DISCRETIONARY RELIEF FROM RATES

114. Most of the bodies speaking in the interests of charities considered that if mandatory relief were only partial local authorities should have power to give further relief at their discretion. We accept their view. A power of this kind is consistent with the desire of several local government witnesses that local authorities should be able to give more relief to bodies which they consider to be especially deserving or in particular need. It would also enable local authorities to distinguish, as many of those giving evidence wished to do, between local bodies and others; and it would allow them to give additional assistance to a charitable body in need of it in a particular year.

115. We have indicated in paragraph 94 the reason why we conclude that local authorities should be given discretion to reduce or remit the rates as they think fit in the light of their consideration of the circumstances of individual bodies outside the field of mandatory relief. We propose that the discretion to reduce or remit rates should extend over a field wider than that of Section 8, in order that local authorities may be able to assist a small number of bodies which fall outside the section, but which some may consider merit relief from rates. There are, however, clear advantages in retaining as much as possible of the language of the definition in that section, since its meaning has by now been the subject of a substantial number of decisions by the courts.

116. In particular we consider that if the definition of the field for discretion draws upon the wording of Section 8 (1), this should be modified:

- (i) so that paragraph (a) of the subsection extends also to any hereditament occupied for the purposes of an organisation whose main objects are philanthropic or benevolent;
- (ii) so that paragraph (c) of subsection (1) extends also to land used mainly or exclusively for indoor games or indoor athletic sports; and
- (iii) so that a charge for the admission of spectators ceases to be a disqualification for relief under paragraph (c) of subsection (1).

In all three instances relief should still be confined to organisations which are not established or conducted for profit.

117. The object of the first of these modifications is to make the scope of paragraph (a) even wider than at present so as to give local authorities maximum latitude in their consideration of applications from bodies which, although not charities, are akin to them and may be doing valuable work for the community. The second modification is suggested because we see no reason why local authorities should be prevented from reducing or remitting the rates on a hall used for badminton, or on squash courts, for example, if they are to have power to give relief in respect of tennis courts. We can see that the third modification would enlarge the field so as to include some wealthy organisations which few people would be prepared to see relieved at the expense of other ratepayers. On the other hand we have had representations that the retention of this test excludes many small amateur clubs which, instead of organising whist-drives, lotteries, dances, etc. to raise funds, regularly make charges for admission to help to meet their expenses. It would be open to local authorities, in exercise of their discretion, to give relief to the latter type of club while refusing it to organisations of the kind mentioned earlier.

6. MEANS OF ESTABLISHING ELIGIBILITY FOR RELIEF

118. Some witnesses proposed that there should be a central tribunal to decide whether an organisation was within the class eligible for rate relief. The proposal can be supported on grounds of initial cheapness, accessibility and expedition*, but these advantages would in many instances be temporary only, unless the decision of the tribunal were made conclusive. Since the tribunal would be required to decide whether a body was charitable, and their decision on a rating appeal might cast doubt on an organisation's charitable status for other purposes, we think that there would have to be a right of appeal to the ordinary courts against the tribunal's decision. No tribunal could compete authoritatively with the High Court in the field of the law relating to charities.

119. Moreover there is in prospect an alternative method of testing the status of an applicant for mandatory relief. The Government have announced their intention of requiring certain classes of charitable trust to register with the Charity Commissioners or the Ministry of Education†.

* Three of the tests adopted in paragraph 406 of the *Report of the Committee on Administrative Tribunals and Enquiries* (Cmd. 218, July 1957).

† *Government Policy on Charitable Trusts in England and Wales*, paragraphs 4-6.

If compulsory registration were extended to include all charities in rateable occupation of land, it could be made applicable for rating purposes, and we recommend that this extension should be made. Registration would meet the need for a cheap and expeditious test. We assume that a body which considered itself within the field of compulsory registration but was refused registration would have a right of appeal to the courts; and that rating authorities would have the right to challenge in the courts the registration of any body which they did not consider to be a charity.

120. The compilation of the register may take some time, and possibly the changes in the law concerning the rating of charities which we recommend may become effective before the register is complete. Any disputes which may arise during the interim period should be left for settlement by the courts in the usual way.

7. THE AMOUNT OF RELIEF

Mandatory relief

121. It would have been useful if, in considering what measure of mandatory relief we should recommend for charities, we could know what measure of sympathetic under-valuation had been given to them in the past. Whilst in some instances before 1950 the real value of charitable property was first ascertained and a scaled-down figure was then inserted in the list, in others an arbitrary figure was determined from the outset. In most areas records of the process of valuation in 1934 and earlier no longer exist but, even if they did, it is impossible to find now a general pattern in the practice at the 1934 and previous revaluations.

122. The only firm statistical information available relates to the value in 1957-58 of the relief under Section 8 of the Act of 1955. That section covers a wider field than charities and in the returns it is not possible to distinguish charities from other bodies within Section 8. It is also impossible to deduce with any accuracy from the figures the degree of under-valuation before 1956-57 of hereditaments within Section 8 as compared with broadly similar hereditaments outside the section. But a figure of 29 per cent under-valuation was produced arithmetically from these figures upon certain large assumptions; and the average relief enjoyed in 1955-56 by bodies which received relief under Section 8 in 1957-58 might, we think, have been of the order of 25-35 per cent; such relief would include that resulting from a failure to keep valuations up to date before 1956 as well as relief given deliberately as an act of policy. On the other hand, if the local authorities are right in asserting that Section 8 relief extends to properties which previously had not been sympathetically under-valued—and we have accepted their view—it is probably reasonable to infer that the degree of under-valuation of those which were sympathetically valued was higher than the estimated average of 25-35 per cent. Certainly this inference derives some support from the survey carried out by the Central Valuation Committee in 1927, and from the evidence we received from the Association of Municipal Corporations about the inquiry which they made of a small number of their members in 1949. As recorded in paragraph 21, the relief given appears to have ranged from a negligible amount to virtual exemption, and does not seem to have followed any particular pattern.

123. We considered the views expressed in memoranda of evidence as to the measure of relief which should be given in future. Not infrequently these views were stated without prejudice to the preliminary contention on the part of a local government witness that there should be no relief, and on the part of a charity or kindred body that there should be complete exemption. The evidence from both sides showed a considerable variety of opinion: one large local authority, for example, observed that, "if charities are to receive relief as of right, there seems no good reason for giving less than full exemption from rates". Figures of the order of 50 per cent were, however, not uncommon, particularly among those suggested by the larger organisations speaking for a number of charitable and kindred bodies and by national charities with numerous local branches or units. One of the only two local authority associations which suggested a specific figure also chose 50 per cent while the other suggested 100 per cent for all but the national charities.

124. The local government evidence commonly sought to distinguish between "local" and other bodies, suggesting a smaller measure of relief for the latter. Whilst we can see some justification for this proposal, it is impracticable to draw a clear line between these two classes and, again in the interests of simplicity and ease of administration, we recommend that there should be a single rate of mandatory relief for all charities. If it so wishes a local authority will be able to distinguish between a body which it regards as "local" and other bodies, in the exercise of its discretionary powers.

125. In this respect, as in others, the solution must be to a considerable degree arbitrary. A figure of, perhaps, 40 per cent could be justified on the reasoning in paragraph 122; while a figure of as much as two-thirds might be supported on the argument, similar to those accepted by Parliament in the past, that probably the large majority of charities by their very nature do not benefit directly from several of the main local government services. The latter argument can be advanced with justice by many ratepayers, and although it has more substance in the case of charities, which are not infrequently doing work which would otherwise be a charge on rates or taxes, we should not feel justified in resting our recommendation of the amount of mandatory relief exclusively upon it. As we have noted, the relief received by charities has varied from something small to total exemption and we felt that in all the circumstances relief of 50 per cent would strike a reasonable balance. We recommend accordingly that charities should have 50 per cent mandatory relief.

Discretionary relief

126. One of the local government witnesses considered that any discretion for local authorities to reduce rates should be subject to a limit so that no organisation should pay less than a nationally specified proportion of its normal rate charge. Another lent support to this view in observing that the reduction of an organisation's rates by a county district council reduces the product of a penny rate in the district and thus reduces the share of the county expenses borne by ratepayers in that district (*cf.* paragraph 103 above). In consequence, ratepayers in other districts within the county must pay a larger amount, even though rate reductions had been refused to similar organisations within those districts. This is no doubt a valid point of view,

but, as a third local government witness pointed out, to "throw an undue burden on the county precept . . . a rating authority must throw an equal degree of undue burden upon its own ratepayers". Some witnesses for the charities and kindred bodies urged the need for Ministerial guidance to local authorities in the exercise of their discretionary powers so that there should be some uniformity of practice throughout the country and, more particularly, so that the organisations serving more than a local need should not be refused relief. In our recommendations for the major class of hereditaments within our terms of reference, however, we have been influenced by considerations of simplicity and economy in administration. Similarly, as regards the application of discretionary powers we do not think that the subject warrants complicated rules, and we have concluded that the simplest practical solution is to leave the amount of the discretionary relief entirely in the hands of local authorities. We recommend accordingly.

127. Many bodies would be helped by having a measure of certainty about their rate liability for a few years ahead. Rating authorities could help to this end if they were given power to grant relief to a particular body within the field for discretionary relief in any of the following three ways:

- (i) For the ensuing rate period only.
- (ii) For a specified term of years, not exceeding five, with power to decide at any time, being not more than two years before the expiry of one term, upon the amount of relief for the succeeding term and the length of that term.
- (iii) For an indefinite period, subject to notice of not less than one clear financial year to discontinue or reduce the relief.

We recommend that rating authorities should be given this power, in which event we should hope that the second and third of these methods would be those most commonly used.

8. EXCHEQUER COMPENSATION, OR POOLING, FOR LOSS OF RATES

Exchequer compensation

128. Most of our local government witnesses said or implied that all local authorities should be directly compensated by the Exchequer for all or part of any rate relief afforded to charities and kindred bodies; and most of the witnesses for charities and kindred bodies which referred to this question also considered that the Exchequer should make grants or payments in lieu of rates to compensate for the loss.

129. The Government have provided for Exchequer compensation for local authorities upon three occasions on which substantial parts of their rate resources were withdrawn by legislation—in 1896 and 1923, when agriculture was partly derated, and in 1929 when industry was partly derated and agriculture was wholly derated. The block grant introduced in 1929 and embodying this compensation was, however, ultimately intended to be apportioned among local authorities without regard to their individual losses from derating, and any connection between Exchequer grant and compensation for derating was finally broken by the Local Government Act, 1948, which abolished the block grant, the loss to local authorities being more than offset by the assumption by central government of responsibility for certain services (such as hospitals and out-relief) which had previously been a charge upon

local government. Nine years later, during the progress through Parliament of the Bill which became the Rating and Valuation Act, 1957, the Government were pressed to make provision to compensate local authorities for their loss of rates through its provisions for the derating of shops, offices, etc., but they declined to do so. It appears, therefore, that it has been Government policy since 1929 to eliminate from the grant system grants specifically in compensation for loss of rates.

130. On this issue we had the benefit of a memorandum by the Treasury, incorporating their views and those of the Departments principally concerned with the work or finance of organisations enjoying rate relief. This memorandum is reproduced, without its appendices, as Appendix VII. In brief, the Exchequer could accept no obligation to make good to local authorities the loss which they may suffer as a result of any relief from rates for charities and kindred bodies. On the other hand the indirect effect on existing grants to local authorities of changes made as a result of our recommendations (illustrated in paragraph 104 above) would be accepted.

131. In total, the amount of rates to be remitted by way of the mandatory relief which we recommend cannot be closely estimated, for the rateable value of hereditaments occupied by charities is not known. It seems likely, however, that the amount remitted will at most be of the same order as the amount of the relief under section 8, that is to say less than one-half of one per cent of the total rates levied (see paragraph 60). It may be materially less. Apart from any question of principle, we should not consider the amount to be enough to warrant payment of Exchequer grant in compensation.

132. The Treasury also made it clear in their memorandum that it is unlikely that Exchequer assistance would be extended to bodies not at present receiving it, and that they could give no guarantee that charities already in receipt of Exchequer assistance would have any extra expenditure on rates made good to them.

Pooling

133. The amount of the rates remitted by way of mandatory relief will be greater, in relation to resources, in some individual rating areas than it is nationally, and we accept that, in principle, there would be good grounds for aggregating rate reliefs to bodies serving more than a local need, and reapportioning the cost among all rating authorities. An arrangement of this kind for pooling the cost of the reliefs would, we understand, be practicable; but whilst we should see no objection to it if it were desired by local authorities generally, there would clearly be formidable difficulties in distinguishing "local" bodies from others. In view of the relatively small sums at issue, our conclusion is that the difficulties implicit in the proposal outweigh its merits.

9. THE FUTURE OF SPECIAL STATUTORY RELIEFS

Scientific Societies Act, 1843

134. We received a considerable volume of evidence about the operation of the Scientific Societies Act, 1843. It seemed to us that the division between societies within the exemption and societies outside it was arbitrary in the extreme. We agree that the provision should not be left unchanged. The alternatives are to attempt to make it more rational or to repeal it.

135. Even if it were agreed that complete exemption from rates for some societies was justified, there is no obvious dividing line between these and others. Wherever the line were drawn there would be anomalies at the margin; and any redrafting of the conditions precedent to exemption could only, in our view, give rise to a fresh spate of litigation. Recognising that the repeal of the Act of 1843 would withdraw a long-standing privilege, we invited the Royal Society and the Parliamentary and Scientific Committee to amplify their views by oral evidence.

136. As we noted in reviewing the history of the provision (paragraph 31), it seems at least likely that the original intention was to assure to the societies the same relief from rates as was then enjoyed by buildings dedicated to public purposes: certainly the exemption was granted at a time when, apparently, such buildings were treated as exempt because they were not considered to be "beneficially occupied". The change in 1865 in the courts' interpretation of this phrase established the rateability of public buildings, but could not detract from the statutory exemption enjoyed by the societies.

137. The exemption was one of the features of the Scottish rating system which was examined by the Sorn Committee who reported in September, 1954. In explanation of their recommendation that the exemption should be repealed they said:

"Under modern conditions, when scientific and artistic societies can be helped from the rates, or from exchequer funds (e.g., through the Arts Council), we think that an exemption from rates is unnecessary and only serves to reduce the rateable valuations of the areas concerned." (*Report of the Scottish Valuation and Rating Committee*, paragraph 147: Cmd. 9244, September, 1954.)

The exemption was repealed in its application to Scotland by section 23 of the Valuation and Rating (Scotland) Act, 1956, with a saving to which reference is made in paragraph 148. (The section is reproduced in Appendix V.) We have explained earlier that we do not regard grant as a satisfactory substitute for rate relief; our conclusion with respect to England and Wales is based on different grounds.

138. In many respects the arguments for the continuation of exemption for societies within the Act of 1843, and for its extension to other societies, were the same as those advanced to justify relief for charities. Much emphasis was, however, placed upon the importance to the nation, especially at the present time, of the work undertaken by scientific societies. We do not question this claim, but we do not consider that the national importance of work undertaken is a sufficient reason for complete exemption from local taxation.

139. We can understand the desire of the societies to secure that as much as possible of their income is applied to the furtherance of their objects, but this is equally true of charities serving other purposes. The local authority services from which, in general, the societies, like other charities, benefit directly account on average for about one-third of rate-borne expenditure. We are not satisfied, therefore, that any of the societies exempt, or contending for exemption, under the Act of 1843 has a better claim to relief in present circumstances than any other charities. We accordingly recommend the repeal of the Act of 1843. At least 96 and

possibly as many as 106 of the 109 societies listed in Appendix III as within the exemption in the spring of 1958 are charities, and these societies will be eligible for the 50 per cent mandatory relief recommended for charities generally.

Voluntary schools

140. One local authority urged the repeal of the exemption from rates of voluntary schools, regarding it as anomalous that, while county schools were rated, the voluntary schools should be exempt, although the local education authority bore all the other running costs (e.g., maintenance and salaries) of both. As a result of the present arrangement, while a voluntary school made no contribution to the rates of the county district in which it was situated, the ratepayers in that district were obliged to contribute, through the county precept, to the rates paid to another county district council in whose area there was a county school.

141. In a memorandum to us on this subject the Ministry of Education referred to the risk that the repeal of the exemption might "disturb the delicately adjusted financial relationship between the Government, the local education authorities, and the denominations" (by whom most if not all voluntary schools are provided). We have had no representations to this effect from either the local education authorities or the denominations, and we are in any event in no position to comment upon the importance of maintaining the relationship to which the Ministry of Education refer. We can see no other justification for the exemption from rates of this one kind of school alone, and to acquiesce in its continuance would be inconsistent with our general approach to the rating of charities and kindred bodies. While recognising that on grounds of public policy the Government may decide that the time is not opportune, we, operating within our terms of reference, recommend the repeal of section 64 of the Education Act, 1944. Voluntary schools occupied by charities would be eligible for the mandatory relief of 50 per cent recommended for charities generally.

Local Act reliefs

142. Rating authorities were asked to submit with their returns of rating reliefs under Section 8 a separate note giving particulars of any relief or exemption from rates available under local Acts or Orders to charities and kindred bodies in their area.* Only two rating authorities did so. In one case there is a rate relief of 2s. 0½d. in the pound under a scheme made under section 64 of the Rating and Valuation Act, 1925. In the other, a local Act gives charitable organisations a 90 per cent reduction in rates. We understand that there may be two or three other areas in which there are still reliefs for charitable institutions under local Acts. We are not aware of any peculiarity in the circumstances of any of these areas to justify the exceptional treatment for rating of particular bodies or for charities generally there. In keeping with our object of securing simplicity in the scheme of reliefs, we recommend that these local privileges should be withdrawn under general legislation: cf. section 512 of the Income Tax Act, 1952 (15 & 16 Geo. 6 & 1 Eliz. 2, c. 10). If this is not practicable they

* Ministry of Housing and Local Government Circular No. 14/58.

should be dealt with individually whenever opportunity offers. In either case, it would clearly be wrong to give the mandatory relief which we recommend as an addition to any local relief.

Sunday and ragged schools

143. Under our recommendations a rating authority would be able to remit the whole of the rates payable in respect of a Sunday or ragged school, and the discretion which rating authorities have under the Sunday and Ragged Schools (Exemption from Rating) Act, 1869, to exempt the school would no longer be necessary. We accordingly recommend the repeal of that Act.

Churches, chapels, church halls, etc.

144. Under section 7 of the Act of 1955, churches, chapels, etc., and the halls used in connection with them are exempt from rates unless the average annual amount of the income from lettings exceeds the average annual amount of the expenses attributable to the lettings. In that case, they fall to be assessed by reference to the amount of the excess and are not eligible for reduction or remission of rates under Section 8. These hereditaments are excluded from our consideration by our terms of reference. They are, however, occupied by charities and any legislation to give effect to our recommendations would apply to them unless they were specifically excepted.

Industrial research associations

145. Representations were made to us that a new statutory relief of 75 per cent should be allowed to industrial research associations. We heard oral evidence about this proposal from the Parliamentary and Scientific Committee. In general terms, an industrial research association is a co-operative venture—a body financed by the subscriptions of member firms to carry out research into the problems of the industry in which the firms are engaged. The research associations exist primarily to serve the needs of their members in the industry, although science generally no doubt benefits from the publication from time to time of results of their research and, indirectly, the industry's customers may also benefit from improvements in the products of the industry.

146. Premises used for industrial research are rated differently in different circumstances. Where they form part of an industrial hereditament they enjoy industrial derating. Where they are in a separate hereditament they are, though occupied by the same firm, fully rated. Where they are occupied by a research association they are similarly fully rated, although in the valuation lists current before 1956-57 some were treated as exempt under the Scientific Societies Act, 1843.

147. Industrial research associations are not charities, but under section 449 of the Income Tax Act, 1952, they enjoy the same reliefs from income tax as do charities. We submit that they are much more akin to the research establishments of individual firms in industry than to charities and that the relief considered appropriate for research establishments conducted by individual firms within the curtilage of their industrial hereditaments should be extended to premises of industrial research associations. In this matter our view corresponds to that expressed in evidence by the

Department of Industrial and Scientific Research. The treatment for rating of separate hereditaments occupied by individual firms for industrial research is of course outside our terms of reference.

Transitional arrangements

148. The Sorn Committee (*op. cit.* in paragraph 137) observed that to withdraw abruptly the exemption under the Scientific Societies Act, 1843 might cause undue disturbance to the finances of the bodies affected. They therefore recommended that there should be:

“a saving for existing beneficiaries in respect of their present premises; if they should move to other premises in the same rating area they might be allowed to continue to enjoy the exemption up to the rateable value at the time of the move of the old premises, if less than that of the new.”

The Government decided that this proposal would be too difficult to work, and compromised by leaving existing beneficiaries who changed their premises, or new societies which were concerned exclusively with science, literature or the fine arts, to the discretion of the local authorities as regards the remission of rates (Official Report, Scottish Standing Committee, 9th May, 1956, columns 933-936). Section 23 of the Valuation and Rating (Scotland) Act, 1956 makes provision accordingly.

149. We share the view expressed by the Sorn Committee about the abrupt withdrawal of an exemption, but see objections to leaving existing beneficiaries with their exemptions indefinitely. This course favours existing societies as compared with societies formed after the repeal of the exemption. A saving confined to premises occupied at the time of repeal discourages a change in accommodation which might be desirable on other grounds and favours societies already established in accommodation at the date of repeal of the exemption as compared with societies moving to new accommodation subsequently. The anomalies which would arise as a result must become more numerous as time passes.

150. Instead we suggest that in the first full financial year after the repeal of the provision, none of the societies which were beneficiaries under it at the date of repeal should be liable for rates in respect of hereditaments which were exempt at that date; but the value of the hereditaments should be ascertained and included in the valuation lists, and should be subject forthwith to the normal procedure of challenge by proposal made under section 40 of the Local Government Act, 1948.

151. In the second year, the rates which, apart from these transitional arrangements, would have been payable by the societies concerned in respect of those hereditaments should be abated by four-fifths; in the third year by three-fifths; in the fourth year by two-fifths; and in the fifth year by one-fifth. The consequence would be that a society which continued to occupy a hereditament which was exempt at the date of repeal would, if it was a charity, pay 10 per cent of the full rates for the second year, 20 per cent for the third year, and so on, rising to 50 per cent for the sixth and subsequent years; or, if it was not a charity, 20 per cent for the second year, 40 per cent for the third, rising to full rates for the sixth and subsequent years.

152. It may be that similar transitional arrangements leading to the withdrawal of relief from voluntary schools would minimise the disturbance to which reference is made in paragraph 141 above ; and will also be found desirable when the local Act reliefs are withdrawn.

PART IV. SUMMARY

153. A summary of our Report is given below :

(1) The application of the general principles of rating and valuation has been far from simple and not uniform. In particular, different measures of relief from rates have been granted for diverse reasons and in different ways in respect of properties occupied for a wide variety of purposes (paragraph 13). Outside the field of charities and kindred bodies, relief is mainly accorded by statute (paragraph 14).

(2) The nature of the reliefs enjoyed by charities and kindred bodies before 1956 and the reasons from time to time advanced for giving them make a confused history. Some of the bodies which enjoyed relief from rates under statutory provisions were charities. Before 1865 the rateability of property occupied for charitable purposes was not free from doubt. After 1865 most charities were dependent upon sympathetic treatment by rating authorities, for which there was no statutory sanction (paragraph 15).

(3) The present exemption of all voluntary schools stems from the exemption in 1897 of voluntary elementary schools, granted because the voluntary bodies providing them were urgently in need of financial help and in recognition of the value of their work for the community (paragraph 25).

(4) Societies instituted for the purposes of science, literature or the fine arts were exempted in 1843 (paragraph 29), apparently with the intention of putting their buildings on a par with buildings dedicated to public purposes (paragraph 31). Several of the societies now exempt seem to be fundamentally different from the kind of institution which the Members who spoke for the Bill in 1843 appear to have had in mind (paragraph 46).

(5) Three facts of some importance stand out from a brief account of the origins of Section 8 of the Rating and Valuation (Miscellaneous Provisions) Act, 1955. First, the section provided the first statutory relief from rates for charities as such, and the first endorsement by Parliament of the reliefs previously given extra-statutorily by local government in a variety of forms. Secondly, the element of mandatory relief was introduced by the Government not, initially, as a matter of Government policy, but in deference to the wishes of the House of Commons after a provision relying entirely upon local discretion had been criticised from all quarters. Thirdly, this particular enactment was designed as a holding provision and was never intended as a permanent arrangement (paragraph 52).

(6) The aggregate rateable value of the hereditaments relieved under Section 8 is little more than one per cent of the aggregate for all hereditaments in England and Wales, and the rates remitted in the year 1957-58

represented about one-half of one per cent of the rates levied ; but in a few areas the rateable value of properties within Section 8 forms a substantial part of the total rateable value for the area (paragraph 60). The importance of the relief to individual charities and kindred bodies is more difficult to gauge. While some bodies could pay full rates without any material effect on their activities, the denial of relief would seriously hamper or curtail the activities of a great many, although it would rarely be sufficient to put them completely out of action (paragraph 61).

(7) Section 8 appears to have worked reasonably well as a holding provision, although unfortunately it has given rise to a disproportionate volume of litigation. As a permanent solution it would be indefensible, for as such it is devoid of both principle and logic (paragraphs 64 and 89).

(8) There is much in the rating system that is arbitrary, and perhaps not the least arbitrary feature has been the granting of reliefs. It is impracticable to eliminate all elements of arbitrariness ; in considering charities and kindred bodies our object has been to find a reasonable balance of conflicting arguments and interests, consistent with simplicity, certainty and economy in administration (paragraph 65).

(9) It is widely accepted by local authorities and by the public at large that some organisations need and deserve assistance from local government ; assistance to charities and kindred bodies is not a new conception ; and many of these bodies are at present receiving other kinds of assistance from local authorities, often concurrently with rate relief. The general case for assisting charities and kindred bodies is not seriously contested and our main task has therefore been to consider the form which assistance should take ; whether and to what extent it should be mandatory or discretionary ; to what organisations assistance should be given, and in what measure (paragraphs 72-73).

(10) Grant is not always an effective substitute for assistance by relief from rates. Apart from that, the case has not been made out for a sweeping change in the form of assistance (paragraph 78).

(11) Assistance to charities and kindred bodies should be by way of rate-relief and should take the form of rate reduction or remission and not of derating (paragraph 82).

(12) The time has come to introduce a measure of uniformity and certainty into the rating reliefs enjoyed by bodies within our terms of reference. A satisfactory scheme should be simple and economical to administer and should not add materially to the rates borne by other classes of ratepayer. The essential basis should be mandatory relief for the great majority of the classes of organisation which have in the past enjoyed some measure of relief (paragraph 88).

(13) There is no justification for giving permanent rate relief to all the organisations in the field covered by Section 8 (paragraph 89).

(14) Charities should have mandatory relief. These bodies have for long enjoyed special privileges under the general law and appear in practice to have been the principal beneficiaries in the past from sympathetic valuation by local authorities (paragraph 91).

(15) There is no justification for redefining the term "charity" for rating purposes only (paragraph 92).

(16) Relief should be given only in respect of those hereditaments which are occupied for the purposes of the charity, except that almshouses should have mandatory relief whether they are rateably occupied by the charity providing them or by the almspeople themselves (paragraph 95).

(17) With regard to charities in general there should be no exclusion from relief on the ground that the body is national or that it is in receipt of Exchequer grant or fees, or because its voluntary income is small (paragraph 99). University institutions fall into this category and required special attention (paragraph 100); but, on balance, the exclusion of all university institutions from relief would not be justified by the effect of the relief upon the four rating areas most affected, and would require stronger arguments than have been presented to us (paragraph 113).

(18) The proposed compulsory registration of certain classes of charitable trust with the Ministry of Education or the Charity Commissioners should be extended to include all charities in rateable occupation of land, and made applicable for rating purposes. This would meet the need for a cheap and expeditious test of the status of a candidate for mandatory relief (paragraph 119). Any disputes which may arise before the register is complete should be left for settlement by the courts in the usual way (paragraph 120).

(19) There is some justification for the proposal to give a greater measure of relief to "local" bodies than to others, but it is impracticable to draw a clear line between these two classes and, in the interests of simplicity and ease of administration, there should be a single rate of mandatory relief for all charities (paragraph 124).

(20) The decision as to the amount of the mandatory relief must to a considerable degree be arbitrary. In the past the relief accorded to charities has varied from something small to total exemption. Relief of 50 per cent is recommended as striking a reasonable balance (paragraph 125).

(21) Local authorities should have power to give further relief to charities at their discretion (paragraph 114).

(22) Organisations on the fringe of the field of charity should be eligible for relief at the discretion of the local authorities (paragraph 94). The simplest practical solution is to leave the amount of the relief for these organisations entirely in the hands of the local authorities (paragraph 126).

(23) The discretion to reduce or remit rates should extend over a field wider than that of Section 8, in order that local authorities may be able to assist a small number of bodies which fall outside the section, but which some may consider merit relief from rates (paragraph 115). If the definition of the field draws upon the wording of Section 8 (1), this should be modified:

- (i) so that paragraph (a) of the subsection extends also to any hereditaments occupied for the purposes of an organisation whose main objects are philanthropic or benevolent;

- (ii) so that paragraph (c) of subsection (1) extends also to land used mainly or exclusively for indoor games or indoor athletic sports; and

- (iii) so that a charge for the admission of spectators ceases to be a disqualification for relief under paragraph (c) of subsection (1).

In all three instances relief should still be confined to those organisations which are not established or conducted for profit (paragraph 116).

(24) Rating authorities should be given power to grant relief to a particular body within the field for discretionary relief in any of the following three ways:

- (i) For the ensuing rate period only.

- (ii) For a specified term of years, not exceeding five, with power to decide at any time, being not more than two years before the expiry of one term, upon the amount of relief for the succeeding term and the length of that term.

- (iii) For an indefinite period, subject to notice of not less than one clear financial year to discontinue or reduce the relief (paragraph 127).

(25) Apart from any question of principle, the amount of rates to be remitted by way of the mandatory relief is not enough to warrant payment of Exchequer grant in compensation (paragraph 131).

(26) In view of the relatively small sum at issue, the difficulties implicit in the proposal to share among all rating authorities the cost of mandatory relief to bodies serving more than a local need outweigh the merits of the proposal (paragraph 133).

(27) The division between societies exempt under the Scientific Societies Act, 1843 and those outside it is arbitrary in the extreme and the provision should not be left unchanged (paragraph 134). Even if exemption for some societies were justified there is no obvious way of distinguishing those societies from others, and any new dividing line must result in anomalies and produce a fresh spate of litigation (paragraph 135). We are not however satisfied that any of the societies has a better claim to exemption than other charities. The Act of 1843 should accordingly be repealed. Most of the societies are charities and would be entitled under our recommendations to 50 per cent mandatory relief as charities (paragraph 139).

(28) The continued exemption of voluntary schools would be inconsistent with our general approach to the rating of charities and kindred bodies, and we recommend the repeal of section 64 of the Education Act, 1944 (paragraph 141).

(29) In keeping with the object of securing simplicity in the scheme of reliefs, we recommend that rate reliefs under local Acts or Orders for charities and kindred bodies should be withdrawn. If this is not practicable under general legislation, they should be dealt with individually whenever opportunity offers. In neither case should the mandatory relief recommended for charities generally be given as an addition to local relief (paragraph 142).

(30) The discretion under the Sunday and Ragged Schools (Exemption from Rating) Act, 1869 for rating authorities to exempt Sunday and ragged

schools would no longer be required if our other recommendations were adopted, and the Act should be repealed (paragraph 143).

(31) Churches, chapels, church halls, etc., which are excluded from our consideration, are occupied by charities, and any legislation to give effect to our recommendations would apply to them unless they were specifically excepted (paragraph 144).

(32) It was represented that industrial research associations, which enjoy the same reliefs from income tax as do charities, should be given 75 per cent relief from rates (paragraph 145). We conclude that they are more akin to research establishments conducted by individual firms within the curtilage of industrial hereditaments and that they should have the same reliefs as are considered appropriate for such research establishments (paragraph 147).

(33) There should be transitional arrangements to make more gradual the effect of the reduction or withdrawal of relief upon the finance of societies within the Act of 1843 (paragraph 149). In the first full financial year after the repeal of the Act, none of the societies which were beneficiaries under it at the date of repeal should be liable for rates in respect of hereditaments which were exempt at that date; but the value of the hereditaments should be ascertained and included in the valuation lists, and should be subject forthwith to the normal procedure of challenge by proposal. In the second year, the rates which, apart from these transitional arrangements, would have been payable by the societies concerned in respect of those hereditaments should be abated by four-fifths; in the third year by three-fifths; in the fourth year by two-fifths; and in the fifth year by one-fifth (paragraphs 150-151). Similar transitional arrangements leading to the withdrawal of relief from voluntary schools might minimise what the Ministry of Education described as the disturbance of "the delicately adjusted financial relationship between the Government, the local education authorities and the denominations"; they may also be found desirable when the local Act reliefs are withdrawn (paragraph 152).

154. We desire to pay our tribute to the profound knowledge of the subject of this Report which is possessed by our Secretary, Mr. A. G. Rayner, and to acknowledge our indebtedness to him in that his knowledge has been placed unsparingly at our disposal throughout our deliberations. His untiring efforts in collecting and analysing information and the industry displayed by him and by his Assistant, Mr. P. McQuail, in the preparation of the original draft of this Report have contributed in no small measure to any success which it may achieve and are responsible for its presentation within eighteen months of the commencement of our work.

FRED E. PRITCHARD (*Chairman*).
L. FARRER-BROWN.
E. H. RITSON.
G. D. SQUIBB.
R. C. TRESS.

A. G. RAYNER (*Secretary*).

P. MCQUAIL (*Assistant Secretary*).

29th June, 1959.

APPENDIX I

Individuals and bodies who submitted written evidence

Allied Circle.
Arts Council of Great Britain.
Association of Certified and Corporate Accountants.
Association of Governing Bodies of Public Schools.
Association of Independent Hospitals and Kindred Organisations.
Association of Municipal Corporations.
Association of Occupational Therapists.

Mr. T. H. Band.
Bangor City Council.
Birmingham City Council.
Bishopsgate Foundation.
Blofield and Flegg Rural District Council.
Board of Inland Revenue.
Mr. A. F. C. Boyes.
Boys Brigade.
Boy Scouts Association.
British Council.
British Hospitals Contributory Schemes Association.
British Red Cross Society.
Building Societies Institute.
Bullington Rural District Council.
Bury County Borough Council.

Camberwell Metropolitan Borough Council.
Cambridge City Council.
Cambridge Colleges: Cambridge Bursars Committee.
Catholic Education Council for England and Wales.
Central Council of Physical Recreation.
Charity of Jane Elizabeth Jones.
Chartered Auctioneers' and Estate Agents' Institute.
Chartered Institute of Secretaries.
Chartered Insurance Institute.
Chartered Society of Physiotherapy.
Cheltenham Borough Council.
Chemical Society.
Chichester Congregational Church.
Churches Main Committee.
Church of England Board of Education.
City and Guilds of London Institute.
City of London.
Civil Service Benevolent Fund.
Club Cricket Conference.
Coal Industry Social Welfare Organisation.
College Hall (University of London).
Committee of Vice-Chancellors and Principals of the Universities of the United Kingdom.
Commonwealth Agricultural Bureaux.
C.H.A.
Co-operative Union Limited: Parliamentary Committee.
Council for British Archaeology.
Council for the Preservation of Rural England.
County Councils Association.
Crossways Trust Limited.

Department of Scientific and Industrial Research.

English Folk Dance and Song Society.
English Speaking Union of the Commonwealth.
Mr. J. D. Trustram Eve.

Geological Society of London.
Girl Guides Association.
Governing Bodies of Girls' Schools Association.
Gresham Committee.

Hitchin and District Model Engineering Club.
Holborn Metropolitan Borough Council.
Home Office.
Hove Borough Council.

Imperial War Graves Commission.
Incorporated Association of Preparatory Schools.
Institute of Actuaries.
Institute of Bankers.
Institute of Cost and Works Accountants.
Institute of Transport.
Institution of Civil Engineers.
Institution of Electrical Engineers.
Institution of Mechanical Engineers.
Invalid Children's Aid Association.

Law Society.
Library Association.
Liverpool Council of Social Service.
Llantrisant and Llantwit Fardre Rural District Council.
London College of Divinity.
London County Council.
London House (The Dominion Students' Hall Trust).
London Library.

Manchester Literary and Philosophical Society.
Manchester Public Libraries.
Metropolitan Boroughs Standing Joint Committee.
Ministry of Education.
Ministry of Housing and Local Government.
Missionary Guest Houses Limited.
Museums Association.

National Association for Mental Health.
National Association for the Prevention of Tuberculosis.
National Association of Almshouses.
National Association of Boys Clubs.
National Association of Mixed Clubs and Girls Clubs.
National Association of Parish Councils.
National Association of Workshops for the Blind.
National Club Cricket Association.
National Council of Associated Children's Homes.
National Conference of Friendly Societies.
National Council of Social Service.
National Council of Y.M.C.As.
National Federation of Housing Societies.
National Federation of Women's Institutes.
National Institute for the Deaf.
National Playing Fields Association.
National Rifle Association.
National Trust.
National Union of Ratepayers' Associations.
Newport Players Society.
North of England Zoological Society.
Northampton Repertory Players Limited.
Norwich and Norfolk Youth Organisations : Mr. Thomas Swift.
Nottingham Mechanics Institution.

Order of St. John.
Over-Seas League.
Oxford City Council.
Oxford Colleges : Committee of Estates Bursars.

Parliamentary and Scientific Committee.
Physical Society.

Railway Convalescent Homes.
Rating and Valuation Association.
Rating Surveyors Association.
Residential Colleges Committee.
Royal Academy of Arts.
Royal College of Midwives.
Royal College of Music.
Royal College of Nursing.
Royal College of Obstetricians and Gynaecologists.
Royal College of Surgeons of England.
Royal College of Veterinary Surgeons.
Royal Commercial Travellers' Schools.
Royal Institution of Chartered Surveyors.
Royal National Institute for the Blind.
Royal National Life-Boat Institution.
Royal Photographic Society of Great Britain.
Royal Society.
Rugby Football Union.
Rural District Councils Association.
Ryde, Sons and Browne.

St. Luke's Nursing Home for the Clergy.
St. Marylebone Metropolitan Borough Council.
Salvation Army.
Show and Breed Secretaries' Association.
Shrewsbury Borough Council.
Sir Robert Geffery's Almshouses (Ironmongers Company).
Sister Trust (William Goodenough House).
Social Work of the Salvation Army.
Southern Federation of Model Engineers.
South Western Arts Association.
Spensborough Borough Council.
Squash Rackets Association.
Surrey Financial Officers' Association.

Theosophical Society in England.
Theosophical Society in Wales.
Dr. Bryn Thomas.
H.M. Treasury.
Treasury Valuer.

Urban District Councils Association.

Mr. Donovan Waters.
Westminster City Council.
Winchester City Council.
Women's Voluntary Service for Civil Defence.
Woolwich Metropolitan Borough Council.
Working Men's College Corporation.

Young Women's Christian Association of Great Britain.
Youth Hostels Association.

Bodies who gave oral evidence in addition

Parliamentary and Scientific Committee.
Royal Society.

In addition, all but one of the societies listed in Appendix III replied to an enquiry whether they had applied for relief from income tax as charities, and, if so, whether their application had been successful.

APPENDIX II

Central Valuation Committee : Statements and Resolution, 1927-28

The Central Valuation Committee issued a circular letter to Assessment Committees in 1927 asking for information about practice in the valuation of various types of property. Summaries of the replies received were issued in the form of statements from which there follow extracts relating to hospitals and charitable institutions; village halls, institutes and clubs; and recreation grounds not dedicated to the public. After considering the replies the Central Valuation Committee adopted on 17th February, 1928 the Resolution reproduced after the extracts. This Resolution was published and circulated to rating authorities by the Minister of Health.

Statement IV. Hospitals and Charitable Institutions

Queries

1. What, generally, are the facts to which regard is had in assigning a gross estimated rental to this class of hereditaments?
2. In what cases, if any, is it the practice to base the gross estimated rental upon an assumed value per bed? What facts are had regard to in fixing the assumed value?
3. In what cases, if any, is it the practice to assign merely a nominal value to these institutions, and on what grounds?

Summary of Replies

Query 1.

In many cases in which the assessment is described as being "nominal" or "sympathetic" the figure adopted is arbitrary. Some authorities, however, estimate in the first place the true annual value of the institution (e.g. on the contractor's principle) and make a regular practice of reducing it by 25 per cent to 75 per cent before entering the value in the valuation list. In some other areas it is the practice for the assessment committee, on appeal, to reduce the proper assessment by a defined percentage according to the circumstances disclosed at the appeal. Where care is taken in assessing hospitals, the following facts (among others) are taken into consideration, viz.: the structural nature of the hereditament and its location; the number of patients (e.g. whether there is an out-patients' department, and, if so, the number of out-patients treated); the amount of voluntary contributions received annually; and other sources of income (e.g. patients' contributions).

Query 2.

It is clear that, with few exceptions, it is not the practice to assess hospitals at so much per bed. In one or two cases in which a bed basis is mentioned it is submitted that this basis, while not affording a conclusive guide to the proper value of the hereditament, is nevertheless useful for the purpose of arriving at comparative figures. One Committee points out that it is not the practice to take an assumed value per bed, but averages compiled from recorded values in specific instances.

Query 3.

The reason generally given for according preferential treatment to hospitals maintained wholly or partly by voluntary contributions is that there is a general recognition that they perform essential work for the public, both in the treatment of disease and in medical education, and that it is feared that, if they were called upon to pay their full share of the rate burden, that work would be seriously handicapped.

General

It is evident from the returns received that it is the almost universal practice throughout the country to assess voluntary hospitals and charitable institutions upon a "nominal" or, at any rate, a "sympathetic" basis. The exceptions are few, and may be divided into two classes:—

- (i) where the voluntary hospital or charitable institution is assessed at its full hypothetical annual value; and
- (ii) where the voluntary hospital or charitable institution is not rated at all.

It may be mentioned that it appears from the information received that the same degree of preferential treatment is not extended to similar institutions (e.g. poor law hospitals, mental hospitals, and sanatoria) in the occupation of local authorities.

A return of the assessments of a large number of the voluntary hospitals in England and Wales was forwarded by one assessment committee, and this return discloses a great diversity of practice. For example, the return shows that in one town a hospital containing 220 beds is assessed at £64 rateable, in another town a hospital with 215 beds is assessed at £255 rateable, and in another town a hospital with 264 beds is assessed at £425 rateable. Again, in one town a hospital with 160 beds is assessed at £700 rateable, and in another town a hospital with 550 beds is assessed at £637 rateable.

A number of authorities urge that either the assessment of voluntary hospitals should be in accordance with the law or the law should be amended so as to permit of preferential treatment.

Charitable Institutions other than Hospitals

Little information has been supplied about these classes of properties, but such information as is available shows that they are generally assigned a nominal or low value, regard being had to the nature of their activities and to the measure of financial support accorded through voluntary channels.

Statement V. Village Halls, Village Institutes and Village Clubs (other than Registered Clubs in which intoxicating liquor is supplied).

Queries

1. Is it the practice to assign merely a nominal value to these village halls, village institutes, and village clubs, and, if so, on what grounds?
2. If not, what special facts are had regard to in determining their gross estimated rentals and rateable values?

Summary of Replies

Query 1.

In the majority of assessment areas in England and Wales, it has been the practice of the Rating Authorities to assign merely a nominal value (or to extend sympathetic treatment) to this class of property. A few returns disclose the fact that such properties are not rated at all.

Reasons given for the preferential treatment of this class of property are (i) that such properties are not run for profit and are of considerable educational and social value, and that it is undesirable, in the public interest, to assess

them at their true letting value; (ii) that these properties are often of a poor type of structure; or (iii) that most of these halls and institutes are built and/or maintained by voluntary subscriptions, and that to rate them at their full value would probably have the effect of reducing charitable bequests and their benefits. It is stated in several instances that it is not easy to assess at a figure other than nominal or sympathetic, because—so it is alleged—the halls and institutes, if not occupied by the actual tenants, would find no other tenants, and that, consequently, it is very difficult (if not impossible) to say what rent a hypothetical tenant might reasonably be expected to give.

Halls and institutes belonging to or connected with churches or other religious foundations are, almost invariably, given preferential treatment. In some areas, where a full assessment is made, it is left to the occupiers to appeal to the Assessment Committee, who generally reduce the assessment by 25 per cent to 75 per cent; in other areas the full annual value is arrived at by the primary Rating Authority and reduced by some percentage before the property is entered in the valuation list. The same result is often obtained by applying some low percentage (e.g. 2½ per cent or 1½ per cent) to the capital value.

In some returns it is stated that, when war memorials take the form of a local hall or institute, it is the practice to assign a nominal value.

Query 2.

In the majority of cases the Rating Authority, when considering the assessment of these properties, take into account (whether or not their general practice is to assign a nominal or sympathetic value) the extent of the income which is produced by letting the hall or institute for such purposes as concerts, dances, etc.

In those areas in which an attempt is made to comply with the strict letter of the law, various methods have been adopted to arrive at the true gross value. In some of such areas village clubs are valued as if they were let for residential purposes, and in one area a comparison is made with registered clubs *minus* the facilities for providing drink. In some areas an attempt is made to compare village halls, etc., with other places used for public meetings.

Statement VI. Recreation Grounds not dedicated to the Public (e.g. Football, Cricket, and other Sports Grounds, in the exclusive occupation of Clubs).

Queries

1. What special factors [e.g. (i) improvements made by the occupier, viz.: erection of pavilions, laying-out, fencing, etc., and (ii) charges for admission, or other revenue accruing to the occupier] are taken into consideration in determining—
 - (a) the gross estimated rental,
 - and
 - (b) the rateable value,
 of the above-mentioned grounds?
2. In what cases, if any, is it the practice to assign merely a nominal value to any of the above-mentioned grounds, and for what reason?

Summary of Replies

Query 1.

It is evident that there is a great diversity of practice in the assessment of recreation grounds in England and Wales. Nevertheless the general practice seems to be to value these grounds on the basis of actual or assumed rental. To this figure there is added, in a large number of cases, a sum in respect of the value of improvements made by the occupier, and in a considerable number of cases charges for admission and other sources of revenue are also taken into account.

The method of valuation naturally depends to some extent upon the class of recreation ground to be found in the area. In the case of large commercially-run grounds profits are taken into consideration and the accounts examined. Grounds occupied by tennis and other sports clubs are generally valued upon a rental basis, regard being had to the value of improvements and sometimes to revenue, e.g. members' subscriptions. Golf clubs appear to be sometimes treated in a special manner, but little information is given on this point. Recreation grounds which are only occasionally used for purposes of sport, and at other times as grazing land are often assessed as agricultural land or otherwise sympathetically treated: in some cases the land is both valued and rated as "agricultural land", and in other cases the land is valued on the same level as surrounding "agricultural land", and then put into the "buildings, etc." column of the valuation list.

Query 2.

In cases in which sympathetic treatment is accorded, the explanations given for such treatment are (i) that the grounds in question are only occasionally used for recreation, (ii) that they are provided for the use of the poorer classes, (iii) that they are occupied by religious or charitable bodies, (iv) that, as the occupiers have no surplus funds, higher rates would be prohibitive, or (v) that sport should be encouraged and not handicapped by heavy rates.

Resolution 54 of the Central Valuation Committee

That, since considerable diversity of practice in the assessment of properties of the above-mentioned classes was divulged in the replies to the Questionnaire sent to assessment committees by this Committee on the 17th May, 1927, this Committee, after consultation with the panel of experts set up for the purpose, formulates, with a view to promoting uniformity of practice, the following expression of opinion:—

- (1) That rating and assessment authorities should endeavour, at the conferences referred to in this Committee's Resolutions 32 and 46 to arrive at a basis, throughout the area of the county, for the assessment of properties of these classes.
- (2) That, with the view of assisting such a conference to arrive at a basis, the county valuation committee should, in advance, obtain from the rating authorities or their valuers or officers, and circulate to the members of the conference, adequate information as to all properties of these classes. Thus, in the case of hospitals, the information should show, for each hospital, (i) the rateable value according to the current valuation list, (ii) the number of beds, distinguishing "paying" from "free" beds, (iii) the description and extent of buildings used otherwise than for accommodation of in-patients, (iv) the extent of land occupied with the hospital, (v) any restrictions on the use of the property, and (vi) any other particulars relevant to the settlement of a basis of assessment.
- (3) That, in considering a basis, rating and assessment authorities should be reminded that the practical question which they are called upon to determine is—what would be a reasonable annual rent, if the particular property under consideration were in the market to let for the purposes for which it is at present being used. In arriving at an estimate of such rent, regard should be had to the following, among other, considerations:—
 - (a) The purposes for which the property is actually used, and its fitness for those purposes;
 - (b) That it has, in the past, been the established practice of rating and assessment authorities in assessing such properties to take into account the fact that the present occupiers can be regarded as possible tenants only so long as they are able to rely upon voluntary contributions from the general public to enable them to continue the occupation and use of such properties for hospital, social, educational, and other beneficent purposes; and
 - (c) All the responsibilities, conditions, restrictions, and circumstances under which the voluntary organisation continues in occupation of the property.

APPENDIX III

Societies occupying property exempt in the spring of 1958 under the Scientific Societies Act, 1843

Ashington Art Group.

Ben Uri Art Gallery.
Birmingham Medical Institute.
Bradford Library and Literary Society.
British Association for the Advancement of Science.
British Federation of Music Festivals.
British Institute of Archaeology at Ankara.
British Institute of Radiology.
British Psychological Society.
British Records Association.
British Scientific Instrument Research Association.
British Speleological Association.

Chelsea Physic Garden.
Chemical Society.
Ciba Foundation.

Dickens Fellowship.
Dickens House.
Dorset Natural History and Archaeological Society.

Egypt Exploration Society.
English Association.
Eugenics Society.

Field Studies Council.
Friends of Abingdon.

Geological Society of London.

Halifax Art Society.
Hampstead Scientific Society.
Home House Society.
Hull Photographic Society.

Imperial Cancer Research Fund.
Institute of Fuel.
Institute of Metals.
Institution of Mining and Metallurgy.
International African Institute.

James Watt Memorial Institute.

Leamington and Warwick Dramatic Study Club.
Linnean Society of London.
Literary and Philosophical Society, Newcastle upon Tyne.
Liverpool Medical Institution.

Manchester Geographical Society.
Marine Biological Association of the United Kingdom.
Medical Society of London.
Mineralogical Society.

National Foundation for Educational Research in England and Wales.
National Library for the Blind.
National Institute of Economic and Social Research.
Natural History Society of Northumberland, Durham and Newcastle upon Tyne.

Norfolk and Norwich Archaeological Society.
Norfolk Naturalists Trust.
Northamptonshire Natural History Society and Field Club.
North Devon Athenaeum.
North East Coast Institution of Engineers and Shipbuilders.
Nottingham Society of Artists.

Political and Economic Planning Trust.
Peterborough Museum Society.
Plymouth Institution and Devon and Cornwall Natural History Society.
Poetry Society.
Preston Scientific Society.

Royal Academy of Dramatic Art.
Royal Aeronautical Society.
Royal Anthropological Institute of Great Britain and Ireland.
Royal Asiatic Society.
Royal Astronomical Society.
Royal Birmingham Society of Artists.
Royal College of Music.
Royal Entomological Society of London.
Royal Geographical Society.
Royal Institute of International Affairs.
Royal Institute of Public Administration.
Royal Institute of Public Health and Hygiene.
Royal Institution.
Royal Institution of South Wales.
Royal Manchester College of Music.
Royal Meteorological Society.
Royal Microscopical Society.
Royal School of Church Music.
Royal Society.
Royal Society of Literature.
Royal Society of Medicine.
Royal Statistical Society.
Royal United Service Institution and Museum.

Salisbury, South Wilts and Blackmore Museum.
School of Arts and Crafts, Carmarthen.
Shaftesbury and District Historical Society.
Society for Psychical Research.
Society for the Study of Normal Man.
Society of Antiquaries of London.
Society of Arts and Sciences, King's Lynn.
Society of Chemical Industry.
Society of Genealogists.
Society of Glass Technology.
Society of Medical Officers of Health.
Somerset Archaeological and Natural History Society.
South London Botanical Institute.
South Shields Art Club.
South Wales Caving Club.
Southwold Archaeological and Natural History Society.
Spalding Gentlemen's Society.
Stockport Art Guild.
Strangeways Research Laboratory.
Stretford Children's Theatre.

Thoresby Society.
Tonic Sol-Fa College of Music.
Torquay Natural History Society.

Wells Natural History and Archaeological Society.
William Salt Library, Stafford.
Wiltshire Archaeological and Natural History Society.
Wisbech Museum and Literary Institution.
Worcestershire Archaeological Society.

Yorkshire Archaeological Society.

APPENDIX IV

Section 8, Rating and Valuation (Miscellaneous Provisions) Act, 1955

Provisions as to rates payable by charitable and other organisations

- 8.—(1) This section applies to the following hereditaments, that is to say—
- any hereditament occupied for the purposes of an organisation (whether corporate or unincorporate) which is not established or conducted for profit and whose main objects are charitable or are otherwise concerned with the advancement of religion, education or social welfare;
 - any hereditament held upon trust for use as an almshouse;
 - any hereditament consisting of a playing field (that is to say, land used mainly or exclusively for the purposes of open-air games or of open-air athletic sports) occupied for the purposes of a club, society or other organisation which is not established or conducted for profit and does not (except on special occasions) make any charge for the admission of spectators to the playing field;

Provided that this section shall not apply to any hereditament to which section seven of this Act applies, or to any hereditament occupied by an authority having, within the meaning of the Local Loans Act, 1875, power to levy a rate.

(2) For the purposes of the making and levying of rates in a rating area, for the year beginning with the date of the coming into force of the first new valuation list for that area (in this section referred to as "the first year of the new list"), and for any subsequent year, the amount of rates chargeable in respect of a hereditament to which this section applies shall, subject to the following provisions of this section, be limited as follows, that is to say—

- for the first year of the new list, the amount so chargeable shall not exceed the total amount of rates (including any special rates) which were charged in respect of the hereditament for the last year before the new list came into force;
- if, by virtue of the preceding paragraph, the amount of rates chargeable in respect of the hereditament is less than it would have been apart from that paragraph, the proportion by which it is thereby required to be reduced shall apply to any subsequent year during which the hereditament continues to be one to which this section applies, and accordingly the amount of rates chargeable in respect of the hereditament for any such year shall be reduced by that proportion;

Provided that this subsection shall have effect subject to the provisions of the Fifth Schedule to this Act in cases falling within that Schedule.

(3) Where paragraph (b) of the last preceding subsection has effect in the case of a hereditament, the rating authority may at any time give notice to the occupiers of the hereditament that, as from the end of a year specified in the notice, being a year ending not less than thirty-six months after the date on which the notice is given, the limitation imposed by virtue of that paragraph shall either cease to apply to the hereditament or shall be modified as mentioned in the notice; and where such a notice is given—

- if the notice states that the limitation shall cease to apply, paragraph (b) of the last preceding subsection shall not apply to the hereditament as respects any year beginning after the end of the year specified in the notice;

- if the notice states that the limitation shall be modified, then, subject to the operation of any further notice given under this subsection, the said paragraph (b) shall have effect in relation to the hereditament as respects any such year with the substitution, for the proportion mentioned in that paragraph, of such lesser proportion as may be specified in the notice.

(4) The rating authority for a rating area shall have power to reduce or remit the payment of any rate charged in respect of a hereditament to which this section applies for the first year of the new list or any subsequent year, including power further to reduce or to remit the payment of any rate in the case of which the amount chargeable is required to be reduced by virtue of the preceding provisions of this section.

(5) The preceding provisions of this section, and the provisions of the Fifth Schedule to this Act, shall have effect, with the necessary modifications, in relation to rates charged for a rate period forming part of the first year of the new list, or of any subsequent year, as they have effect in relation to rates charged for the first year of the new list or for any subsequent year, as the case may be.

(6) Nothing in this section shall affect any exemption from, or privilege in respect of, rates under any enactment other than this section.

APPENDIX V

Section 23, Valuation and Rating (Scotland) Act, 1956

(1) A rating authority shall have power to reduce or remit any rate leviable in the year 1956-57 or in any subsequent year in respect of—

- any lands and heritages occupied for the purposes of an organisation (whether corporate or unincorporate) which is not established or conducted for profit and whose main objects are charitable or are otherwise concerned with the advancement of religion, education or social welfare, or are concerned exclusively with science, literature or the fine arts;
- any lands and heritages held on trust for use as an almshouse;
or
- any lands and heritages consisting of a playing field (that is to say, land used exclusively or mainly for the purposes of open-air games or of open-air athletic sports) occupied for the purposes of a club, society or other organisation which is not established or conducted for profit and does not (except on special occasions) make any charge for the admission of spectators to the playing field;

Provided that this subsection shall not apply to any lands and heritages to which paragraph (a) or (b) of subsection (1) of the last foregoing section* applies or to lands and heritages occupied by a local authority or by any body to whom section two hundred and seventy of the Act of 1947 applies.

(2) The Scientific Societies Act, 1843, shall cease to have effect except in relation to lands and heritages in respect of which, at the passing of this Act and by virtue of section 1 of the said Act of 1843, the person occupying was not liable to be assessed or rated, and which continued to be occupied by that person.

(3) In this section the expression "rate" does not include a domestic water rate.

* Section 22 exempts churches, church halls, etc.

APPENDIX VI

Effect of rate relief for university institutions on notional rate poundages for 1957-58

(1)	With 1957-58 relief under Section 8 (2)	With no relief at all (3)	With 50 per cent. relief to all which were relieved under Section 8 in 1957-58 (4)	With 50 per cent. relief to all except university institutions (5)
Oxford City (C.B.)	s. d. 17 5	s. d. 16 6	s. d. 17 10	s. d. 16 8
Holborn M.B.	a b 10 7½ 4 4	10 7 4 3	10 7½ 4 4½	10 7 4 3½
	14 11½	14 10	15 0	14 10½
St. Pancras M.B.	a b 10 7 6 5½	10 7 6 4½	10 7½ 6 6	10 7 6 5
	17 0½	16 11½	17 1½	17 0
*Aberystwyth B.	a b 16 3 9 5½	16 3 8 1	16 3 8 8	16 3 8 5½
	25 8½	24 4	24 11	24 8½
†Bangor City (B.)	a b 15 6½ 5 0	15 6½ 5 0	15 6½ 5 0	15 6½ 5 0
	20 6½	20 6½	20 6½	20 6½
‡Cambridge City (B.)	a b 13 8 7 8	13 9 6 9	13 8 7 7	13 8½ 6 10½
	21 4	20 6	21 3	20 7
§Durham City (B.)	a b 12 8 8 2	12 8½ 7 9	12 8 8 2	12 8½ 7 10
	20 10	20 5½	20 10	20 6½
†Oadby U.D.	a b 11 9½ 6 0½	11 9½ 6 0½	11 9½ 6 0½	11 9½ 6 0½
	17 10	17 10	17 10	17 10
†Chesterton R.D.	a b 13 8 4 7	13 9 4 7	13 8 4 7	13 8½ 4 7
	18 3	18 4	18 3	18 3½

(1)	With 1957-58 relief under Section 8 (2)	With no relief at all (3)	With 50 per cent. relief to all which were relieved under Section 8 in 1957-58 (4)	With 50 per cent. relief to all except university institutions (5)
†Newcastle-under-Lyme R.D.	a b s. d. 11 6½ 5 0	s. d. 11 6½ 5 0	s. d. 11 6½ 5 0	s. d. 11 6½ 5 0
	16 6½	16 6½	16 6½	16 6½
†Wokingham R.D.	a b 12 4 4 6½	12 4 4 6½	12 4 4 6½	12 4 4 6½
	16 10½	16 10½	16 10½	16 10½

NOTES

- a — general county precept.
 - b — rate required for district council and special county purposes.
 - * — the county council receive Rate-deficiency Grant. The borough council receive it only in the circumstances of col. (2).
 - † — both the county council and the district council receive Rate-deficiency Grant.
 - ‡ — only the county council receive Rate-deficiency Grant.
 - § — the county council receive Rate-deficiency Grant. The borough council receive it only in the circumstances of cols. (2) and (4).
- The figure shown in col. (2) is the rate that would have been required to meet the authority's estimated net outgoings for 1957-58 on the assumption that the main financial provisions of the Local Government Act, 1958 were in force. It is not therefore comparable with the rate actually levied in that year on the basis of the law then existing.

APPENDIX VII

H.M. TREASURY

Memorandum to the Committee on the Rating of Charities and Kindred Bodies

1. The Committee have invited comments on suggestions put to them in memoranda of evidence that the cost of any relief recommended by the Committee should, either generally or in particular circumstances, be made good by the Exchequer. In particular it has been suggested that:—

- (i) Grant could be made to rating authorities direct, specifically to make good their loss of rates.
- (ii) Rate Deficiency Grant could be increased to offset the loss of rates.
- (iii) Existing grant to bodies already in receipt of Exchequer assistance could be increased to enable the bodies to pay full rates.

Proposals (i) and (ii)

2. The views of Departments on the more general suggestions at (i) and (ii) are as follows. A recommendation by the Committee that charities should be granted statutory relief from rates, or that local authorities should have a discretion to relieve charities from the full burden of rates, would not be accepted as imposing any obligation on the Exchequer to make good the loss which the local authorities might suffer.

3. The Committee will be aware that the Exchequer makes its own contribution for the assistance of the charities and similar bodies by relief from income tax and other national taxes. The issue before the Committee is whether local government should, similarly, continue in future to surrender some of its rate income, as it did in the past by "sympathetic" assessments. It would not be an acceptable solution that local authorities should, in form, appear to give up some of their rate income, but, in fact, perform this act of generosity at the expense of the general taxpayer.

4. Suggestions that the Exchequer should meet the cost are usually based on one of two premises. First, local authorities frequently argue that if the Government, by legislation, abate their income, the Government should make good the loss. But the Government must necessarily initiate nearly all important legislation, and changes in rating inevitably fall into this category. It would follow, if this doctrine were sound, that all reductions of rate income resulting from legislation would automatically be made good out of the Exchequer. This has never been accepted. Secondly, there is a common belief that if the Exchequer finds the money for additional local liabilities, there will be no painful consequences for anyone. In fact, of course, the Exchequer can only finance additional charges by raising taxes.

5. Since immediately before the second world war the burden on citizens as taxpayers, in the aggregate, has grown very much more than the burden on them as ratepayers. Indirect taxes have increased fivefold and direct taxes sixfold. On the other hand, rates collected per head in the same period have little more than doubled. Personal incomes, net of income tax and surtax have, on average, in this period more than trebled, so that the relative burden of rates is now lighter than before while that of taxes is much heavier. This development has been accompanied by a steady relative expansion in the proportion of local expenditure borne out of Exchequer grants, until by 1957 the position had been reached that the total of grants substantially exceeded the total of rates, being roughly in the proportion of 6 to 5, with the prospect that the grant proportions would grow still further. The Government, therefore, in the White Paper on Local Government Finance, Cmd. 209, announced proposals for extensive changes including some modest reduction in Exchequer aid associated with an enlargement of rate resources by the partial rerating of industry and freight transport. These have since been implemented in the Local Government Act, 1958. It would be quite contrary to Government policy for the Exchequer now to take over the burden of any rate relief given to charities, a burden hitherto borne, though in a haphazard way, by the local authorities.

6. The above observations relate to the specific proposal that rating concessions to the charities and similar bodies should be directly made good to the local authorities concerned by way of new or increased grant from the Exchequer. The same objection does not apply to the indirect effect of a rating concession upon the entitlement to grant under the existing law, e.g. the provision for rate deficiency grants under which a grant may be payable to an area because its rate product per head is below the average. Changes which the Committee might recommend as a rectification of the rating basis can be accepted for the existing grants, just as changes in the relative levels of assessment and all other changes from time to time are accepted as a matter of course. But the effect is very complex as far as rate deficiency grants are concerned, and changes recommended by the Committee may be just as likely to reduce the total of grants as to increase them. For example, any increased relief to charities over the whole country would depress the national average rate product per head. The broad effect of this would be to reduce the rate deficiency grant payable to any authority if the increased relief to charities in its area was less per head of population than the average over the country, and to increase the grant if it was greater.

7. Suggestions that any rating concession should be made good to the local authority concerned by a new grant from the Exchequer may have been advanced upon the view that this is necessary if the effect of the concession is to be

spread fairly over the whole country. This is a fallacy. There are already several examples where expenditure incurred by a particular local authority in the general interest is pooled and re-charged over other local authorities. If the Committee feel that there should be some rating concession to charities and similar bodies but that the cost of this generally or in particular cases (e.g. bodies which work in the national interest but occupy property in only a few areas) should not be left as a charge on the rating areas in which the property is located, a solution could no doubt be found along the lines of a similar scheme for spreading the rate loss equitably amongst the rating areas.

Proposal (iii)

8. The other more limited suggestion made to the Committee was that there might be increased Exchequer grants to bodies already in receipt of Exchequer assistance so as to enable them to pay full rates. Charities in receipt of Exchequer assistance are only a small part of the field. No guarantee can be given that it would be general policy to make good the extra expenditure of such bodies on rates. Practice would probably vary according to the type of Exchequer assistance and the circumstances of the charity. The very varied forms of Exchequer assistance to these bodies (shown in the appendices* to this memorandum) would in any event make it impossible to make good, pound for pound, any extra expenditure on rates by charities already receiving Exchequer assistance even if, as a matter of policy, it were thought right to do so.

9. The Committee may like to know that the Public Accounts Committee has expressed itself as opposed to any extension of the field of grants in aid, and this view is endorsed in the recent report of the Select Committee on Estimates on Treasury Control of Expenditure. It is unlikely, therefore, that there would be any extension of Exchequer assistance to charitable bodies which are not at present assisted following an increase in their rate burden.

APPENDIX VIII

Tables based on Returns made by Local Authorities

1. These tables are some of those prepared from returns made by rating authorities to the Ministry of Housing and Local Government. The returns themselves have been available for public inspection. Copies of all the tables prepared were sent, as they appeared from time to time, to bodies invited to give evidence and to a number of other bodies who asked for them.

2. We obtained a full range of tables in the hope that they might assist us in the consideration of various aspects of our terms of reference. Those which we have omitted from this Appendix either did not appear to throw any useful light on the problems, or were produced by a refinement of the information which that information would not bear.

3. The tables published here and the figures quoted below and in the body of the Report incorporate corrections. (Some of the figures are derived from the unpublished tables.)

4. Tables 1-5 provide information summarised from returns made in response to the Department's Circular No. 14/58 (H.M. Stationery Office, price 6d. net) about reliefs from rates in 1957-58 under Section 8 of the Rating and Valuation (Miscellaneous Provisions) Act, 1955. (The section is reproduced in Appendix IV.) Table 6 summarises information from returns made in response to Circular No. 31/58 (H.M. Stationery Office, price 4d. net) about voluntary contributions made by local authorities in 1957-58 to organisations exempt under the Scientific Societies Act, 1843, or eligible for relief under Section 8.

5. Only hereditaments actually relieved under Section 8 in 1957-58 are included in tables 1-5. There are other hereditaments within the description in Section 8 (1)

* Not reproduced.

which enjoyed no relief in that year. These include 2,850 hereditaments of £841,000 aggregate rateable value which were relieved in 1956-57 but have lost their relief as a result of the operation of section 1 (6) of the Rating and Valuation Act, 1957 (see paragraph 56 of the Report). Since any hereditament within Section 8 (1) which was rated in 1955-56 would have been relieved in 1956-57 if the rates charged on it were higher in the latter year, and since the increase in rate call between these two years corresponded to what (apart from the revaluation) would have been an average increase in rate poundage of over 20 per cent., it seems unlikely that very many hereditaments within the description failed to secure relief in 1956.

6. Local authorities did, however, include in their returns a note of over 9,000 hereditaments in respect of which it had been claimed unsuccessfully that they were within the description in Section 8 (1). More than half of these purported to be in the "social welfare" category—over 4,000 of them occupied by organisations conducted for the benefit of the community at large. Of the rest, those put forward as being "official residences of the clergy and church officers and servants" were most numerous, totalling nearly 1,600. There are difficulties in the interpretation of the section which have not all been resolved by decisions of the courts and we were told in evidence that many of the unsuccessful claims to be within the section had not been pursued before the courts because the cost would have been disproportionate to the relief which would have been secured following a successful action.

7. Notes are appended in explanation of the terms used in the tables. The main groups in the classification of the hereditaments are based on the language of Section 8 (1) itself. The main groups were subdivided in consultation with representatives of local government and of charities and kindred bodies, and with the Ministry of Education and the Home Office; the subdivisions of "social welfare" are based upon the wording of the Recreational Charities Act, 1958.

Terms used in the tables

(1) Section 8

This refers to Section 8 of the Rating and Valuation (Miscellaneous Provisions) Act, 1955, as modified by section 1 (6) of the Rating and Valuation Act, 1957.

(2) Authorities

The returns on which tables 1-5 are based were made by 1,401 out of 1,466 rating authorities in England and Wales. Six of these (two non-county boroughs, three urban districts, one rural district) stated that they had given no rate relief under Section 8, and the particulars in the tables 1-5 relate to the 1,395 remaining authorities. (There is a footnote to each part of table 6 giving particulars of the returns upon which it is based.)

(3) Hereditaments

This term relates only to hereditaments which received relief under Section 8 and for which returns were made by the rating authorities.

(4) Type of hereditament

The classifications used in the columns "Type of hereditament" have the following meanings:

Short title	Description
<i>Religion:</i>	
Colleges	Training colleges and theological colleges.
Residences	Official residences of the clergy and church officers and servants.
Headquarters	Headquarters of religious organisations.
Other	Other religious purposes.

Short title	Description
<i>Education:</i>	
Universities	Universities, colleges, halls of residence, research institutes, lecture rooms, etc.
Training Colleges	Voluntary teachers' training colleges (other than religious).
Schools	Schools.
Youth Organisations... ..	Premises of youth organisations.
Other	Premises of other educational organisations.
<i>Social welfare:</i>	
	Hereditaments occupied by organisations for the benefit of—
For young	the young (other than educational)
For aged	the aged
For poor	the poor (other than almshouses)
For sick, etc.	the sick, disabled or convalescent
For other needy	other persons in need by reason of social or economic circumstances
For community	the community (whether national or local, e.g. village halls, community centres, women's institutes).
Other	Hereditaments occupied by other organisations.
<i>Miscellaneous charities</i>	Hereditaments occupied for charitable purposes not included elsewhere.
<i>Almshouses</i>	Almshouses.
<i>Playing fields:</i>	
Industrial	Playing fields of industrial or commercial organisations.
Golf clubs	Golf courses, etc.
Other clubs	Playing fields of other sports clubs.
Other	Other playing fields.

(5) Rateable value

This refers to the total rateable value on 1st April, 1957.

(6) Rate charge

This is the amount of rates which would have been payable for 1957-58 in respect of the hereditaments apart from the provisions of Section 8.

(7) Area served

In table 5 hereditaments which serve a "local" area serve in the main the needs of people living in the rating area; e.g., almshouses provided for the poor of the district; the hut of the local scout group; the village hall or community centre. Those which serve an "other" area serve, either in addition or instead, the needs of the people living outside the rating area; at one extreme the area served may be only slightly larger than that of the rating area, at the other it may be international.

Except where an alteration was clearly required in order to secure that the classification of (for example) local branches of a national body was consistent throughout the returns, the classification of hereditaments under (4) and (7) above is that made by the local authority making the return.

TABLE 1
Reduction in rates 1957-58 for the various types of hereditament

Type of hereditament (1)	Number of hereditaments (2)	Rateable value (3)	Rate charge (4)	Rates remitted under section 8	
				Amount (5)	As percentage of rate charge (6)
		£	£	£	Per cent.
RELIGION ...	9,710	736,036	656,235	207,577	32
Colleges ...	151	125,931	117,344	53,986	46
Residences ...	8,646	335,011	309,670	76,848	25
Headquarters ...	260	133,331	103,531	30,255	29
Other ...	653	141,763	125,690	46,488	37
EDUCATION ...	2,892	3,132,234	2,859,550	1,338,345	47
Universities ...	866	1,879,141	1,741,897	921,560	53
Training colleges ...	53	44,391	40,368	14,863	37
Schools ...	1,373	864,983	782,692	271,149	35
Youth organisations ...	49	3,511	2,979	1,328	45
Other ...	551	340,208	291,614	129,445	45
SOCIAL WELFARE ...	18,477	1,561,089	1,372,306	596,324	43
For young ...	4,410	400,658	357,760	167,648	47
For aged ...	2,607	129,909	114,791	47,696	42
For poor ...	217	23,084	19,384	7,543	40
For sick, etc. ...	2,594	441,730	380,632	156,325	41
For other needy ...	956	167,605	140,401	50,171	36
For community ...	6,875	302,078	275,502	134,978	49
Other organisations ...	818	96,025	83,836	31,963	38
MISCELLANEOUS CHARITIES	309	138,809	102,893	27,774	27
ALMSHOUSES ...	15,385	143,974	129,524	72,376	56
PLAYING FIELDS ...	6,828	779,051	698,923	333,302	48
Industrial ...	1,112	239,499	214,520	114,156	53
Golf clubs ...	686	188,042	170,061	54,356	32
Other clubs ...	4,379	281,504	249,525	129,641	52
Other ...	651	70,006	64,817	35,149	54
GRAND TOTAL ...	53,601	6,491,193	5,819,431	2,575,698	44

See notes on pages 62 and 63.

TABLE 2
Reduction in rates 1957-58 for the various types of rating authority and hereditament

Type of rating authority (1)	Rateable value of		Rate charge (5)	Relief under section 8 (2) (b)		Relief under section 8 (4)		Total relief under section 8	
	Rating authorities (2)	Hereditaments (3)		Col. (3) as percentage of Col. (2) (4)	Amount (6)	As percentage of rate charge (7)	Amount (8)	As percentage of rate charge (9)	Amount (10)
	£000s	£	£	£	Per cent.	£	Per cent.	£	Per cent.
County Boroughs ...	177,353	2,114,429	2,006,839	948,398	47	40,359	2	988,757	49
City of London and Metropolitan Boroughs	95,744	1,428,759	1,110,216	366,899	33	35,383	3	402,282	36
Non-county Boroughs ...	150,571	1,406,785	1,318,468	588,593	45	33,630	2	622,223	47
Urban Districts ...	93,082	636,405	582,147	209,841	36	28,075	5	237,916	41
Rural Districts ...	80,393	904,815	801,761	291,716	36	32,804	4	324,520	40
All rating authorities included above ...	597,143	6,491,193	5,819,431	2,405,447	41	170,251	3	2,575,698	44
Table 1 reference ...		Col. (3)	Col. (4)					Col. (5)	Col. (6)

Table 2 (a) Summary

Table 2 (b) County Boroughs

Type of hereditament (1)	Hereditaments		Relief under section 8 (2) (b)		Relief under section 8 (4)		Total relief under section 8	
	Rateable value (2)	Rate charge (3)	Amount (4)	As per-centage of rate charge (5)	Amount (6)	As per-centage of rate charge (7)	Amount (8)	As per-centage of rate charge (9)
RELIGION	152,032	148,680	54,553	37	6,131	4	60,684	41
Colleges	52,322	52,566	26,846	51	—	—	26,846	51
Residences	49,957	47,853	6,437	13	5,384	11	11,821	25
Headquarters	9,320	8,764	3,689	42	93	1	3,782	43
Other	40,433	39,497	17,581	45	654	2	18,235	46
EDUCATION	1,345,397	1,275,609	631,491	49	22,423	2	653,914	51
Universities	980,201	930,826	500,650	54	324	—	500,974	54
Training colleges	9,657	8,627	2,497	29	—	—	2,497	29
Schools	289,117	275,211	113,223	41	2,686	1	115,909	42
Youth organisations	283	282	31	11	—	—	31	11
Other	66,139	60,663	15,090	25	19,413	32	34,503	57
SOCIAL WELFARE	399,983	374,155	167,937	45	6,419	2	174,356	47
For young	135,135	129,247	64,535	50	2,047	2	66,582	52
For aged	42,076	37,203	16,378	44	607	2	16,985	46
For poor	4,359	3,846	1,254	33	53	1	1,307	34
For sick, etc.	107,666	99,263	44,497	45	850	1	45,347	46
For other needy	41,555	39,133	14,354	37	1,526	4	15,880	41
For community	43,790	42,190	18,300	44	1,039	2	19,339	46
Other	25,442	23,273	8,619	37	297	1	8,916	38
MISCELLANEOUS CHARITIES	8,579	7,628	3,808	50	49	1	3,857	51
ALMSHOUSES	42,042	38,911	15,322	39	4,504	12	19,826	51
PLAYING FIELDS	166,396	161,856	75,287	46	833	1	76,120	47
Industrial	54,628	54,327	29,353	54	303	1	29,656	55
Golf clubs	34,018	32,632	9,503	29	10	—	9,513	29
Other clubs	60,513	57,103	27,151	48	478	1	27,629	48
Other	17,237	17,794	9,280	52	42	—	9,322	52
COUNTY BOROUGHS TOTAL	2,114,429	2,006,839	948,398	47	40,359	2	988,757	49

Table 2 (c) City of London and Metropolitan Boroughs

Type of hereditament (1)	Hereditaments		Relief under section 8 (2) (b)		Relief under section 8 (4)		Total relief under section 8	
	Rateable value (2)	Rate charge (3)	Amount (4)	As per-centage of rate charge (5)	Amount (6)	As per-centage of rate charge (7)	Amount (8)	As per-centage of rate charge (9)
RELIGION ...	£ 181,307	£ 139,441	£ 35,618	Per cent. 26	£ 6,918	Per cent. 5	£ 42,536	Per cent. 31
Colleges ...	14,871	11,981	4,927	41	—	—	4,927	41
Residences ...	14,841	11,651	4,117	35	1,061	9	5,178	44
Headquarters ...	108,338	81,355	17,049	21	5,214	6	22,263	27
Other ...	43,257	34,454	9,525	28	643	2	10,168	30
EDUCATION ...	652,228	515,274	193,708	38	9,736	2	203,444	40
Universities ...	396,627	312,643	128,165	41	8,849	3	137,014	44
Training colleges ...	5,912	4,877	805	17	—	—	805	17
Schools ...	106,621	88,042	29,148	33	90	—	29,238	33
Youth organisations ...	1,275	942	253	27	—	—	253	27
Other ...	141,793	108,770	35,337	32	797	1	36,134	33
SOCIAL WELFARE ...	410,589	316,824	91,982	29	16,498	5	108,480	34
For young ...	83,742	66,273	20,100	30	3,652	6	23,752	36
For aged ...	10,094	8,246	1,959	24	892	11	2,851	35
For poor ...	13,058	10,653	3,313	31	842	8	4,155	39
For sick, etc. ...	120,375	90,352	28,755	32	2,993	3	31,748	35
For other needy ...	93,159	71,975	20,104	28	3,790	5	23,894	33
For community ...	63,149	48,040	12,957	27	3,818	8	16,775	35
Other ...	27,012	21,285	4,794	23	511	2	5,305	25
MISCELLANEOUS CHARITIES ...	106,930	74,638	12,162	16	1,283	2	13,445	1
ALMSHOUSES ...	12,218	10,138	3,895	38	684	7	4,579	45
PLAYING FIELDS ...	65,487	53,901	29,534	55	264	—	29,798	55
Industrial ...	35,056	28,748	15,811	55	197	1	16,008	56
Golf clubs ...	1,816	1,498	482	32	—	—	482	32
Other clubs ...	25,171	20,752	11,700	56	67	—	11,767	57
Other ...	3,444	2,903	1,541	53	—	—	1,541	53
CITY AND METROPOLITAN BOROUGH TOTAL ...	1,428,759	1,110,216	366,899	33	35,383	3	402,282	36

Table 2 (d) *Non-county Boroughs*

Type of hereditament (1)	Hereditaments		Relief under section 8 (2) (b)		Relief under section 8 (4)		Total relief under section 8	
	Rateable value (2)	Rate charge (3)	Amount (4)	As per-centage of rate charge (5)	Amount (6)	As per-centage of rate charge (7)	Amount (8)	As per-centage of rate charge (9)
	£	£	£	Per cent.	£	Per cent.	£	Per cent.
RELIGION ...	123,759	114,266	28,335	25	6,348	6	34,683	30
Colleges ...	30,049	28,425	11,242	40	763	3	12,005	43
Residences ...	60,490	56,947	6,629	12	4,986	9	11,615	20
Headquarters ...	10,045	8,412	2,078	25	442	5	2,520	30
Other ...	23,175	20,482	8,386	41	157	1	8,543	42
EDUCATION ...	700,503	681,485	343,746	50	1,451	—	345,197	51
Universities ...	430,155	429,225	247,898	58	94	—	247,992	58
Training colleges ...	26,128	24,609	11,255	45	—	—	11,255	45
Schools ...	195,129	179,724	54,298	30	491	—	54,789	30
Youth organisations ...	1,062	966	93	9	517	54	600	62
Other ...	48,029	46,961	30,212	64	349	1	30,561	65
SOCIAL WELFARE ...	290,937	264,812	101,397	38	12,976	5	114,373	43
For young ...	87,224	79,043	34,497	44	3,579	5	38,076	48
For aged ...	35,786	31,360	8,255	27	3,780	12	12,035	38
For poor ...	3,449	2,870	1,083	37	365	13	1,448	50
For sick, etc. ...	89,611	79,362	28,594	36	2,104	3	30,698	39
For other needy ...	19,106	17,145	5,170	30	494	3	5,664	33
For community ...	36,242	36,802	16,484	45	2,027	6	18,511	50
Other ...	19,519	18,230	7,314	41	627	3	7,941	44
MISCELLANEOUS CHARITIES ...	5,301	5,073	2,906	57	135	3	3,041	60
ALMSHOUSES ...	41,847	38,001	14,230	37	8,971	24	23,201	61
PLAYING FIELDS ...	244,438	214,830	97,979	46	3,749	2	101,728	47
Industrial ...	88,847	77,281	38,273	50	925	1	39,198	51
Golf clubs ...	32,760	30,134	8,814	29	298	1	9,112	30
Other clubs ...	99,345	86,849	40,835	47	1,913	2	42,748	49
Other ...	23,486	20,566	10,057	48	613	3	10,670	51
NON-COUNTY BOROUGHS TOTAL ...	1,406,785	1,318,468	588,593	45	33,630	2	622,223	47

Table 2 (c) Urban Districts

Type of hereditament (1)	Hereditaments		Relief under section 8 (2) (b)		Relief under section 8 (4)		Total relief under section 8	
	Rateable value (2)	Rate charge (3)	Amount (4)	As per-centage of rate charge (5)	Amount (6)	As per-centage of rate charge (7)	Amount (8)	As per-centage of rate charge (9)
RELIGION ...	£ 87,400	£ 82,008	13,551	17	9,728	11	23,279	28
Colleges ...	3,750	3,322	724	22	167	5	891	27
Residences ...	63,872	60,787	7,913	13	8,915	15	16,828	28
Headquarters ...	2,899	2,495	915	37	—	—	915	37
Other ...	16,879	15,404	3,999	26	646	4	4,645	30
EDUCATION ...	142,957	128,712	42,244	33	740	—	42,984	33
Universities ...	—	—	—	—	—	—	—	—
Training colleges ...	17,621	14,598	7,089	49	—	—	7,089	49
Schools ...	111,930	101,614	29,733	29	222	—	29,955	29
Youth organisations ...	627	566	294	52	34	6	328	58
Other ...	12,779	11,934	5,128	43	484	4	5,612	47
SOCIAL WELFARE ...	214,974	199,842	81,963	41	9,610	4	91,573	46
For young ...	55,091	48,938	22,249	45	2,119	4	24,368	50
For aged ...	27,986	24,913	7,524	30	2,241	9	9,765	39
For poor ...	1,101	1,053	212	20	84	8	296	28
For sick, etc. ...	59,257	55,082	20,686	37	2,039	4	22,725	41
For other needy ...	6,109	5,501	1,750	32	91	1	1,841	33
For community ...	52,845	53,138	24,576	46	2,702	5	27,278	51
Other ...	12,585	11,217	4,966	44	334	3	5,300	47
MISCELLANEOUS CHARITIES ...	2,123	2,102	706	34	213	10	919	44
ALMSHOUSES ...	23,012	20,761	8,401	40	3,550	17	11,951	57
PLAYING FIELDS ...	165,939	148,722	62,976	42	4,234	3	67,210	45
Industrial ...	37,596	33,533	16,226	48	1,481	4	17,707	53
Golf clubs ...	51,794	47,134	13,273	28	667	1	13,940	30
Other clubs ...	59,083	52,100	25,036	48	1,809	3	26,845	52
Other ...	17,466	15,955	8,441	53	277	2	8,718	55
URBAN DISTRICTS TOTAL ...	636,405	582,147	209,841	36	28,075	5	237,916	41

Table 2 (f) Rural Districts

Type of hereditament (1)	Hereditaments		Relief under section 8 (2) (b)		Relief under section 8 (4)		Total relief under section 8	
	Rateable value (2)	Rate charge (3)	Amount (4)	As per-centage of rate charge (5)	Amount (6)	As per-centage of rate charge (7)	Amount (8)	As per-centage of rate charge (9)
RELIGION	191,538	171,840	40,817	24	5,578	3	46,395	27
Colleges	24,939	21,050	9,235	44	82	—	9,317	44
Residences	145,851	132,432	25,993	20	5,413	4	31,406	24
Headquarters	2,729	2,505	732	29	43	2	775	31
Other	18,019	15,853	4,857	31	40	—	4,897	31
EDUCATION	291,149	258,470	87,737	34	5,069	2	92,806	36
Universities	54,537	54,605	28,459	52	32	—	28,491	52
Training colleges	2,694	2,255	306	14	—	—	306	14
Schools	162,186	138,101	37,914	27	3,344	2	41,258	30
Youth organisations	264	223	101	45	15	7	116	52
Other	71,468	63,286	20,957	33	1,678	3	22,635	36
SOCIAL WELFARE	244,606	216,673	98,806	45	10,736	5	107,542	50
For young	39,466	34,259	13,097	38	1,773	5	14,870	43
For aged	13,967	13,069	5,410	41	650	5	6,060	46
For poor	1,117	962	313	33	24	2	337	35
For sick, etc.	64,821	56,573	24,041	42	1,766	3	25,807	46
For other needy	7,676	6,647	2,746	41	146	2	2,892	44
For community	106,092	95,332	46,950	49	6,125	6	53,075	55
Other	11,467	9,831	4,249	43	252	3	4,501	46
MISCELLANEOUS CHARITIES	15,876	13,451	5,629	42	883	6	6,512	48
ALMSHOUSES	24,855	21,713	7,397	34	5,422	25	12,819	59
PLAYING FIELDS	136,791	119,614	53,330	45	5,116	4	58,446	49
Industrial	23,372	20,631	10,971	53	616	3	11,587	56
Golf clubs	67,654	58,663	20,904	36	405	—	21,309	36
Other clubs	37,392	32,721	17,435	53	3,217	10	20,652	63
Other	8,373	7,599	4,020	53	878	11	4,898	64
RURAL DISTRICTS TOTAL	904,815	801,761	291,716	36	32,804	4	324,520	40

See notes on pages 62 and 63.

TABLE 3

Total reduction in rates 1957-58 under section 8 as a proportion of the rate charge on hereditaments by type of rating authority

Type of rating authority (1)	Number of authorities (2)	Number of rating authorities where relief falls within stated proportions of the rate charge				
		10 per cent. and under (3)	11-25 per cent. (4)	26-50 per cent. (5)	51-75 per cent. (6)	76 per cent. and over (7)
County Boroughs ...	83	—	8	50	24	1
City of London and Metropolitan Boroughs	29	—	3	23	3	—
Non-county Boroughs	304	2	49	180	67	6
Urban Districts ...	526	9	77	303	111	26
Rural Districts ...	453	4	67	275	98	9
TOTAL ...	1,395	15	204	831	303	42
As percentage of 1,395 ...	100	1	15	59	22	3

See notes on pages 62 and 63.

TABLE 4

Total reduction in rates 1957-58 under section 8 as a proportion of the rate charge on hereditaments, by type of hereditament

Type of hereditament (1)	Number (2)	Rateable value (3)	10 per cent. and under		11-25 per cent.		26-50 per cent.		51-75 per cent.		76 per cent. and over	
			Number (4)	Rateable value (5)	Number (6)	Rateable value (7)	Number (8)	Rateable value (9)	Number (10)	Rateable value (11)	Number (12)	Rateable value (13)
RELIGION ...	9,710	£ 736,036	2,698	£ 157,300	3,273	£ 211,430	2,764	£ 224,500	617	£ 113,445	358	£ 27,245
Colleges ...	151	125,931	22	6,478	43	17,961	57	53,916	28	45,092	1	2,468
Residences ...	8,646	335,011	2,530	105,601	3,006	117,024	2,373	79,532	440	19,045	297	13,809
Headquarters ...	260	133,331	41	20,891	62	44,950	114	46,050	36	19,483	7	1,957
Other ...	653	141,763	105	24,330	162	31,595	220	45,002	113	31,825	53	9,011
EDUCATION ...	2,892	£ 3,132,234	494	£ 241,386	735	£ 334,688	1,039	£ 1,195,557	483	£ 1,045,744	141	£ 314,859
Universities ...	866	1,879,141	116	48,453	188	77,002	323	724,939	201	789,296	38	239,451
Training colleges ...	53	44,391	12	3,995	15	10,737	20	16,926	4	12,308	2	425
Schools ...	1,373	864,983	274	144,729	408	198,447	490	324,466	163	170,238	38	27,103
Youth organisations ...	49	3,511	5	337	7	422	14	1,201	14	1,172	9	379
Other ...	551	340,208	87	43,872	117	48,080	192	128,025	101	72,730	54	47,501
SOCIAL WELFARE ...	18,477	£ 1,561,089	1,604	£ 155,151	2,828	£ 301,617	5,487	£ 540,132	5,236	£ 383,550	3,322	£ 180,639
For young ...	4,410	400,658	375	32,556	674	71,402	1,303	131,514	1,134	107,001	924	58,185
For aged ...	2,607	129,909	190	17,751	322	26,397	590	42,145	1,141	29,541	364	14,095
For poor ...	217	23,084	20	2,597	80	6,632	82	6,916	10	3,156	25	3,783
For sick, etc. ...	2,594	441,730	314	46,601	535	97,916	857	159,348	497	100,377	391	37,488
For other needy ...	956	167,605	161	22,820	192	33,939	378	66,956	128	29,885	97	14,005
For community ...	6,875	302,078	423	23,074	845	39,179	2,016	102,925	2,163	91,229	1,428	45,671
Other organisations ...	818	96,025	121	9,972	180	26,152	261	30,328	163	22,361	93	7,412

TABLE 4—continued.

Type of hereditament	Number (2)	Rateable value (3)	Hereditaments where section 8 relief falls within stated proportions of rate charge						76 per cent. and over			
			10 per cent. and under		11-25 per cent.		26-50 per cent.			51-75 per cent.		
			Number (4)	Rateable value (5)	Number (6)	Rateable value (7)	Number (8)	Rateable value (9)		Number (10)	Rateable value (11)	Number (12)
MISCELLANEOUS CHARITIES	309	£ 138,809	63	£ 58,499	78	£ 21,561	74	£ 33,269	53	£ 19,384	41	£ 6,096
ALMHOUSES	15,385	143,974	1,023	9,416	2,302	24,295	3,770	34,642	2,887	33,202	5,403	42,419
PLAYING FIELDS	6,828	779,051	374	46,415	803	101,776	2,251	278,054	2,117	252,374	1,283	100,432
Industrial	1,112	239,499	47	4,510	132	20,479	370	78,905	396	99,517	167	36,088
Golf clubs	686	188,042	119	30,913	157	46,558	277	81,433	112	26,412	21	2,726
Other clubs	4,379	281,504	168	8,149	468	29,728	1,433	94,952	1,408	103,939	902	44,736
Other	651	70,006	40	2,843	46	5,011	171	22,764	201	22,506	193	16,882
GRAND TOTAL	53,601	6,491,193	6,256	668,167	10,019	995,467	15,385	2,306,154	11,393	1,847,699	10,548	671,690
Table 1 reference...	Col. (2)	Col. (3)										
Total numbers and rateable values as percentage of all hereditaments included	100	100	12	10	19	15	29	36	21	28	19	11

See notes on pages 62 and 63.

TABLE 5
Hereditaments analysed according to the area served by them

Authorities	Area served	Number	Rateable value	Rate charge	Total section 8 relief	
					Amount	As percentage of rate charge
(1)	(2)	(3)	(4)	(5)	(6)	(7)
County Boroughs ...	Local ...	8,176	£ 763,635	£ 732,187	£ 325,617	44
	Other ...	1,583	1,350,794	1,274,652	663,140	52
	Total ...	9,759	2,114,429	2,006,839	988,757	49
City of London and Metropolitan Boroughs	Local ...	1,112	350,422	269,909	111,879	41
	Other ...	1,593	1,078,337	840,307	290,403	35
	Total ...	2,705	1,428,759	1,110,216	402,282	36
Non-county Boroughs	Local ...	9,464	452,607	414,847	176,832	43
	Other ...	2,333	954,178	903,621	445,391	49
	Total ...	11,797	1,406,785	1,318,468	622,223	47
Urban Districts ...	Local ...	8,515	351,265	328,821	140,702	43
	Other ...	1,526	285,140	253,326	97,214	38
	Total ...	10,041	636,405	582,147	237,916	41
Rural Districts ...	Local ...	17,193	426,204	381,429	157,756	41
	Other ...	2,106	478,611	420,332	166,764	40
	Total ...	19,299	904,815	801,761	324,520	40
Total ...	Local ...	44,460	2,344,133	2,127,193	912,786	43
Total ...	Other ...	9,141	4,147,060	3,692,238	1,662,912	45
GRAND TOTAL	...	53,601	6,491,193	5,819,431	2,575,698	44
Table 2 (a) reference	...	—	Col. (3)	Col. (5)	Col. (10)	Col. (11)

See notes on pages 62 and 63.

TABLE 6*

Voluntary contributions made by local authorities in 1957-58 to any organisation either exempt from rates under the Scientific Societies Act, 1843 or eligible for rate relief under section 8 of the Rating and Valuation (Miscellaneous Provisions) Act, 1955

Number of local authorities making contributions and total amount of contributions made

Tables 6(a) Summary and 6(b) Administrative Counties

Type of Organisation (1)	(a) All local authorities†			(b) Administrative Counties‡														
	No. (2)	Amount (3)	No. (4)	Amount (5)	£10 and under		£11-£100		£101-£500		£501-£1,000		Over £1,000					
					No. (6)	Amount (7)	No. (8)	Amount (9)	No. (10)	Amount (11)	No. (12)	Amount (13)	No. (14)	Amount (15)				
RELIGION		£		£														
Colleges ...	2	1,253	2	1,253	—	—	1	100	—	—	—	—	—	—	—	—	1	1,153
Residences ...	5	30	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Headquarters ...	4	22	2	3	2	3	—	—	—	—	—	—	—	—	—	—	—	—
Other ...	16	4,206	8	3,512	2	12	5	150	—	—	—	—	—	—	—	1	—	3,350
EDUCATION																		
Universities ...	70	786,094	34	496,168	—	—	1	15	2	625	2	1,325	29	494,403	—	—	—	—
Training colleges ...	4	600	2	400	—	—	1	100	1	300	—	—	—	—	—	—	—	—
Schools ...	3	1,083	1	350	—	—	—	—	1	350	—	—	—	—	—	—	—	—
Other ...	121	107,748	36	37,202	2	20	3	202	11	3,689	7	4,813	13	28,478	—	—	—	—
SOCIAL WELFARE																		
For young ...	174	219,925	48	98,340	1	2	12	686	17	4,353	5	3,274	13	90,025	—	—	—	—
For aged ...	169	114,559	21	9,756	3	22	4	260	10	2,368	1	930	3	6,176	—	—	—	—
For poor ...	11	1,225	1	100	—	—	1	100	—	—	—	—	—	—	—	—	—	—
For sick ...	145	56,886	39	7,781	—	—	19	1,094	16	3,359	3	2,056	1	1,272	—	—	—	—
For other needy ...	149	84,052	33	27,862	8	46	15	769	6	1,250	—	—	4	25,797	—	—	—	—
For community ...	118	133,448	34	92,794	—	—	8	461	7	2,182	6	4,000	13	86,151	—	—	—	—
Other ...	32	17,270	5	820	2	30	1	90	2	700	—	—	—	—	—	—	—	—
MISCELLANEOUS CHARITIES ...	45	6,779	17	3,897	5	31	5	445	5	1,371	1	550	1	1,500	—	—	—	—
ALMSHOUSES ...	30	9,445	7	1,802	4	28	2	91	—	—	—	—	—	1,683	—	—	—	—
PLAYING FIELDS																		
Golf clubs ...	5	2,330	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other clubs ...	24	2,189	2	130	—	—	—	130	—	—	—	—	—	—	—	—	—	—
Other ...	55	8,548	12	4,067	6	20	3	150	2	475	—	—	1	3,422	—	—	—	—
TOTAL ...		£1,557,692		£786,437		£214		£4,843		£21,022		£16,948		£743,410				

* Throughout this table, types of organisation to which no contributions were made are not listed.

† In this table, "local authorities" means county councils and rating authorities. 1,360 of the 1,530 local authorities replied; of these, 468 made contributions.

‡ 53 of the 62 administrative counties replied; all these made contributions.

Table 6 (c) County Boroughs†

Type of Organisation	No. (16)	Amount (17)	£10 and under		£11-£100		£101-£500		£501-£1,000		Over £1,000	
			No. (18)	Amount (19)	No. (20)	Amount (21)	No. (22)	Amount (23)	No. (24)	Amount (25)	No. (26)	Amount (27)
(1)		£		£		£		£		£		£
RELIGION												
Residences ...	1	5	1	5	—	—	—	—	—	—	—	—
Headquarters ...	1	13	—	—	—	13	—	—	—	—	—	—
Other ...	5	390	1	10	3	100	1	280	—	—	—	—
EDUCATION												
Universities ...	35	289,528	—	—	—	—	—	—	—	—	—	—
Training colleges ...	2	200	—	—	2	200	3	1,200	11	8,985	21	279,343
Schools ...	2	733	—	—	—	—	—	—	—	—	—	—
Other ...	33	63,459	1	5	8	467	14	3,145	4	528	6	56,974
SOCIAL WELFARE												
For young ...	68	111,803	4	35	13	485	13	3,807	17	12,686	21	94,790
For aged ...	24	17,144	—	—	5	233	15	3,914	1	515	3	12,482
For poor ...	4	631	1	10	1	21	2	600	—	—	—	—
For sick ...	49	44,999	2	9	16	616	14	3,154	10	6,995	7	34,225
For other needy ...	49	44,331	5	35	12	618	15	3,688	7	5,215	10	34,775
For community ...	15	19,073	3	19	4	256	2	822	2	1,402	4	12,574
Other ...	11	15,157	1	5	3	202	4	1,147	2	1,303	1	12,500
MISCELLANEOUS CHARITIES	6	1,707	1	4	3	70	1	412	—	—	1	1,221
ALMSHOUSES	7	2,908	—	—	3	225	2	581	1	1,000	1	1,102
PLAYING FIELDS												
Golf clubs ...	2	1,600	—	—	—	—	—	—	—	—	—	—
Other clubs ...	8	1,120	2	15	2	40	4	1,065	2	1,600	—	—
Other ...	8	1,692	5	16	1	55	1	483	—	—	1	1,138
TOTAL		£612,493		£168		£3,601		£24,503		£43,097		£541,124

† 81 of the 83 county boroughs replied; of these 74 made contributions.

Table 6 (d) City of London and Metropolitan Boroughs†

Type of Organisation	No. (28)	Amount (29)	£10 and under		£11-£100		£101-£500		£501-£1,000		Over £1,000	
			No. (30)	Amount (31)	No. (32)	Amount (33)	No. (34)	Amount (35)	No. (36)	Amount (37)	No. (38)	Amount (39)
(1)		£		£		£		£		£		£
EDUCATION												
Other ...	8	2,436	—	—	2	65	5	1,246	—	—	1	1,125
SOCIAL WELFARE												
For young ...	6	2,238	—	—	2	135	3	688	—	—	1	1,415
For aged ...	14	22,049	—	—	1	100	3	1,014	1	915	9	20,020
For poor ...	2	69	—	—	2	69	—	—	—	—	—	—
For sick ...	2	518	—	—	1	30	1	488	—	—	—	—
For other needy ...	12	4,019	1	10	3	195	4	830	3	1,968	1	1,016
For community ...	6	10,249	—	—	—	—	2	325	1	600	3	9,324
Other ...	1	200	—	—	—	—	1	200	—	—	—	—
ALMSHOUSES	1	182	—	—	—	—	1	182	—	—	—	—
PLAYING FIELDS												
Other ...	3	15	3	15	—	—	—	—	—	—	—	—
TOTAL		£41,975		£25		£594		£4,973		£3,483		£32,900

† The 28 metropolitan boroughs and the City of London all replied; 24 made contributions.

Table 6 (e) *Non-county Boroughs* †

Type of Organisation	No. (40)	Amount (41)	£10 and under		£11-£100		£101-£500		£501-£1,000		Over £1,000	
			No. (42)	Amount (43)	No. (44)	Amount (45)	No. (46)	Amount (47)	No. (48)	Amount (49)	No. (50)	Amount (51)
RELIGION		£		£								£
Residences ...	1	10	1	10	—	—	—	—	—	—	—	—
Other ...	2	13	2	13	—	—	—	—	—	—	—	—
EDUCATION												
Universities ...	1	198	—	—	—	—	—	—	—	—	—	—
Other ...	18	3,181	4	17	5	340	1	198	2	1,350	—	—
SOCIAL WELFARE												
For young ...	33	1,614	19	104	12	538	1	410	1	562	7	46,515
For aged ...	51	54,373	3	27	22	1,312	14	3,588	5	2,931	—	—
For poor ...	4	425	1	10	1	30	2	385	—	—	—	—
For sick ...	36	2,509	9	45	20	746	6	998	1	720	—	—
For other needy ...	37	7,102	5	34	19	844	9	2,447	3	1,777	1	2,000
For community ...	27	8,434	6	27	8	320	7	1,182	5	3,534	1	3,371
Other ...	13	1,077	7	26	4	139	2	912	—	—	—	—
MISCELLANEOUS CHARITIES	12	292	6	25	6	267	—	—	—	—	—	—
ALMSHOUSES	5	3,524	1	6	1	15	2	503	—	—	1	3,000
PLAYING FIELDS												
Golf clubs ...	2	700	—	—	—	—	2	700	—	—	—	—
Other clubs ...	5	666	—	—	—	—	3	605	—	—	—	—
Other ...	11	33	11	33	—	—	—	—	—	—	—	—
TOTAL		£84,151		£377		£4,612		£13,402		£10,874		£54,886

† 287 of the 318 non-county boroughs replied; of these 132 made contributions.

Table 6 (f) *Urban Districts* †

Type of Organisation	No. (52)	Amount (53)	£10 and under		£11-£100		£101-£500		£501-£1,000		Over £1,000	
			No. (54)	Amount (55)	No. (56)	Amount (57)	No. (58)	Amount (59)	No. (60)	Amount (61)	No. (62)	Amount (63)
RELIGION		£		£								£
Residences ...	2	13	1	2	1	11	—	—	—	—	—	—
Other ...	1	291	—	—	—	—	1	291	—	—	—	—
EDUCATION												
Other ...	16	1,082	5	13	8	319	3	750	—	—	—	—
SOCIAL WELFARE												
For young ...	14	5,721	3	25	8	554	2	450	—	—	—	—
For aged ...	40	9,502	7	57	21	940	9	1,933	1	690	1	4,692
For sick ...	13	838	2	15	9	286	2	537	—	—	2	5,862
For other needy ...	8	484	3	8	4	176	1	300	—	—	—	—
For community ...	24	5,570	4	17	13	643	5	1,675	1	835	1	2,400
Other ...	1	5	1	5	—	—	—	—	—	—	—	—
MISCELLANEOUS CHARITIES	4	512	3	12	—	—	1	500	—	—	—	—
ALMSHOUSES	2	174	1	4	—	—	1	170	—	—	—	—
PLAYING FIELDS												
Other clubs ...	8	258	2	16	6	242	—	—	—	—	—	—
Other ...	10	1,738	7	22	1	16	1	200	—	—	1	1,500
TOTAL		£26,188		£196		£3,187		£6,826		£1,525		£14,454

† 486 of the 564 urban districts replied; of these 113 made contributions.

Table 6 (g) Rural Districts†

Type of Organisation (1)	No. (64)	Amount (65)	£10 and under		£11-£100		£101-£500		£501-£1,000		Over £1,000	
			No. (66)	Amount (67)	No. (68)	Amount (69)	No. (70)	Amount (71)	No. (72)	Amount (73)	No. (74)	Amount (75)
RELIGION		£		£		£						£
Residences ...	1	2	1	2								
Headquarters ...	1	6	1	6								
EDUCATION												
Other ...	10	388	5	12	4	156	1	220				
SOCIAL WELFARE												
For young ...	5	209	4	13				196				
For aged ...	19	1,735	4	27	12	694	1	351				
For sick ...	6	241	2	16	3	105	2	120				
For other needy ...	10	254	7	34	2	70	1	150				
For community ...	12	1,328	1	9	7	273	4	1,046				
Other ...	1	11	—	—	1	11	—	—				
MISCELLANEOUS CHARITIES												
Almshouses ...	6	371	2	14	3	132	1	225				
Playing fields ...	8	855	1	8	3	146	4	701				
Golf clubs ...	1	30	—	—								
Other clubs ...	1	15	—	—								
Other ...	11	1,003	7	22	1	46	—	—				
TOTAL		£6,448		£163		£1,678		£3,944		£663		

† 424 of the 474 rural districts replied; of these 72 made contributions.

See also notes on pages 62 and 63.