

Executive

15 December 2015

Report of the Assistant Director Customers & Employees

Portfolio of the Leader & Executive Member for Finance & Performance

Discretionary Rate Relief Awards 2016 - 2018

Summary

1. The purpose of this paper is to provide Executive with details of new applications for Discretionary Rate Relief (DRR) for the period 1 April 2016 to 31 March 2018. The paper sets out the Council's available budget and asks Executive to approve any new awards based upon the funding available.

Recommendations

2. Executive are asked to consider and approve the new applications for discretionary rate relief set out at Annex B;

Reason: To provide a transparent process for awarding discretionary rate relief.

Background

3. With effect from April 2014 all new awards of discretionary rate relief are an Executive decision taking into account the budget available and consideration of applications against Council priorities.
4. Guidance in the 1988 Local Government Finance Act provides that although authorities may adopt rules for the consideration of discretionary cases, they should not adopt a blanket policy either to give or not to give relief. Instead, each case should be considered on its own merits. The type of organisation and area where DRR can be awarded are:

- Charities
 - Non-profit making organisations
 - Community Amateur Sports Clubs (CASCs)
 - Rural discretionary relief
 - Rural top up.
5. The council's aim is ensuring that services are designed around the needs of the people and place first. Some of these services may not be delivered directly by the Council in future but by a combination of the Council with partner organisations, other authorities, volunteers and community groups or directly by social enterprises or the commercial sector. The 'top up' discretionary rate relief provides additional financial support to those charities, community sports clubs and non-for profit organisations that form a key part of supporting this aim.
6. All applications for DRR are currently written submissions through a formal application process managed by the relevant Council department. The applications are considered on an individual basis against Council priorities and on their merits. The application is for a top up to the 80% mandatory award in respect of charities, CASCs and non-for profit organisations. This paper provides details of all applications for the 1st April 2016 – 31st March 2018 years against the Council's DRR budget.

Discretionary Rate Relief costs

7. All current recipients of DRR are on the two year cycle 1st April 2015 – 31st March 2017 and are set out at Annex A. There were no new awards of discretionary rate relief approved at Executive in January 2014 for the 1 April 2014 to 31 March 2016 years. Annex B of this paper sets out details of the organisations recommended for awards by the relevant directorates after consideration of the individual applications for the period 1 April 2016 – 31 March 2018. Table 1 below shows the cost to the Council of existing (2015 – 2017) awards including rural relief.

Table 1.

Category	Total Cost of DRR	CYC Share
Not-for Profit	£9,853	£4,927
Charities	£62,416	£31,208
CASCs	£20,875	£10,438
Rural Discretionary	£41,418	£20,709
Rural Top Up	£5,624	£2,812
Total Cost	£140,186	£70,094

8. Table 2 below shows the proposed new awards (Annex B) for the period 1st April 2016 to 31st March 2018:

Table 2.

Category	Total Cost of DRR	CYC Share
Not-for Profit		
Charities		£847.36
CASCs		£1,268.50
Rural Discretionary		
Rural Top Up		
Total Cost		£2,115.86

9. The Council budget for DRR in 2016/17 is £83K. The value of existing awards set out at Table 1 will increase in 2016/17 to approximately £71,496 this assumes a 2% uplift in the business rates multiplier for 2016/17. The new awards set out at Table 2 above and Annex B will increase the total value of awards to £73,611.86 in 2016/17.

New Applications

10. Table 2 above sets out the number and value of new applications for DRR in each of the categories. Applications that have not met the qualifying criteria through the application process are not included in the numbers but are set out at Annex C.

11. There have been 10 new applications for discretionary top up relief for the April 2016 – March 2018 period. The low volume arises as the awards made in April 2015 were for all the pre April 14 organisations who had received support for a number of years.
12. The applicant organisations have been through a thorough application process with each organisation looked at on an individual basis against the set qualifying criteria:
 - The organisation is a charity or CASC;
 - And/or the organisation is non-for profit;
 - Equalities e.g. that the organisation have a formally adopted equality and diversity policy;
 - Membership is open to everyone;
 - The percentage of users and or members who are York residents;
 - Whether the organisation has membership fees;
 - Whether discounts are provided for York residents;
 - Whether the organisation is affiliated to any local or national organisation;
 - How the organisation contributes to the community;
 - The organisation's financial position.
13. In terms of equalities the organisations applying need to provide their CIA's and equality and diversity policies. The information provided is reviewed by the Council's Head of Communities and Equalities to ensure their aims are aligned to the Council's own policies before they can qualify for top up rate relief as part of the overall application process.
14. Annex B sets out the organisations and clubs that are recommended to receive top up discretionary relief for the two years from April 2016. Annex C shows those organisations that have been declined including the reason why. Organisations are supported through the application process and advice provided to those who have been declined.

Options

15. There are two options associated with this report:

Option 1 – Approve the new applications for discretionary rate relief set out at Annex B;

Option 2 – Decline the new applications for discretionary rate relief set out at Annex B.

Analysis

16. There is a year on year increasing demand on the DRR budget from current recipients of rural rate relief and the biannual applications from charities, sports clubs and a small number of not for profit organisations as the business rates multiplier continues to rise by RPI (Capped in 2014 to 2%). There is sufficient budget to meet the current demand for the April 15 to March 17 recipients along with the approved new applications for the April 16 – March 18 period. To ensure all qualifying organisations receive some discretionary top up support and residual budget is retained for future awards and to meet inflationary pressures the level awarded is less than the 20% maximum allowance as set out as both Annex A & B.

Council Plan 2015 - 19

17. The power to provide discretionary rate relief contained within the Local Government Finance Act 1988 & 2012 aligns with the Council plan 2015 - 19 in providing residents with community assets that support the focus on frontline services providing health and wellbeing for their customers and making York a great place to live.

Implications

18. (a) **Financial** – The changes in the Local Government Finance Act 2012 ensures that any new discretionary awards are met on a 50/50 basis with Central Government.
- (b) **Human Resources (HR)** - There are no implications
- (c) **Equalities** – There are no direct implications
- (d) **Legal** - There are no implications
- (e) **Crime and Disorder** - There are no implications
- (f) **Information Technology (IT)** - There are no implications
- (g) **Property** - There are no implications

Risk Management

19. The key risk associated with discretionary reliefs is a financial one. The risk is not high and is in the control of the authority through the implementation of proper policies and procedures.

Contact details:

Author:	Executive Member and Chief Officer responsible for the report:		
David Walker Head of Customer & Exchequer Services Phone No. 01904 552261	Cllr Chris Steward, Council Leader & Executive Member for Finance & Performance Pauline Stuchfield Assistant Director Customers & Employees Telephone: 01904 551100		
	Report Approved	√	Date 3 December 2015
Specialist Implications Officer(s) None			
Wards Affected: All			√
For further information please contact the authors of the report			

Background Papers

Discretionary Rate Relief Awards 2015 – 2017

Annexes

Annex A – Discretionary Rate Reliefs 2015 – 2017

Annex B – Discretionary Rate Reliefs 2016 - 2018

Annex C – Applications that have been declined for discretionary rate relief 2016 - 2018

Glossary

DRR Discretionary Rate Relief

CASC Community Amateur Sports Club

Multiplier The multiplier is the percentage or pence on the pound of the Rateable Value that the customer must pay in business rates

CIA Community Impact Assessment