
EXCERPT FROM THE MINUTES OF THE COMMUNITY OVERVIEW AND SCRUTINY PANEL HELD ON 1 SEPTEMBER 2011

COSP.64/11 DISCRETIONARY RATE RELIEF

The Assistant Director (Community Engagement) (Mr Gerrard) submitted report CD.09/11 concerning the Council's Discretionary Rate Relief Policy. He outlined the background to the matter, reminding Members that the Council had on 11 January 2011 approved the Policy which phased in the capping of rate relief at 80% over two financial years from April 2011 in line with approved budget provision.

Mr Gerrard indicated that, from 2012/13 and subject to approval by Council, it was proposed to award 20% discretionary 'top up' rate relief to all local charities and non profit making enterprises with a rateable value of below £18,000 (ie the ceiling applied by central government for small business rate relief). If approved, the proposed policy changes would apply to all enterprises that met the definition of 'small and local':

"Charities/non profit making enterprises with a property portfolio of below £18,000 rateable value that have their Head Office or Registered Office in Carlisle and District, as evidenced by records published on the Charities Commission or Companies House website. Where there is no information on the website the billing address will be deemed to be their Head Office or Regional Office."

He emphasised that the above policy change would mean that 111 out of 153 local enterprises would receive 100% rate relief, including most community centres, village halls, sports clubs and local charities. By focussing on small and local enterprises, the proposed policy changes were intended to target the available budget for rate relief as effectively as possible. Larger local charities and non profit making organisations would not, however, benefit from the proposal and would receive a maximum of 80% relief from 2012/13 onwards.

Mr Gerrard reported that in the 2011/12 financial year relief for all local and national charities (irrespective of their rateable value) had been capped at 80%, and that so far six local charities had appealed that decision.

Recovery action was on hold pending consideration of the appeals. Within the overall budget allocation, £18,000 was available to fund appeals through additional relief in the current financial year. In line with the principle of targeting relief at local charities and local non profit making organisations it was proposed, for this financial year only, to award up to 10% top up to the six charities that had appealed, irrespective of their rateable value.

He added that, in the interests of consistency and fairness, it was proposed that any further appeals received in 2011/12 would also be assessed against the criteria of local

(not including rateable value) and if they met the definition they too would be awarded additional relief of up to 10%.

The Executive had, on 30 August 2011 (EX.102/11) considered the matter and resolved:

“That the Executive:

1. Approved the amendment to the Discretionary Rate relief Policy in order for it to proceed for consideration by the Community Overview and Scrutiny Panel and thereafter full Council.
2. Authorised Officers to agree up to 10% top up for those local charities that had successfully appealed against the decision to cap their rate relief at 80% in 2011/12.
3. Agreed that further appeals from charities against the decision to cap rate relief at 80% in 2011/12 shall be assessed against the definition of local set out in Report CD.09/11, and authorised Officers to award up to 10% top up to successful appellants.”

In considering the matter, Members raised the following issues and concerns:

- The Panel had understood that there would be an opportunity for Overview and Scrutiny to provide their input into the development of the criteria, was that opportunity still available?

The Community Engagement Portfolio Holder responded that Overview and Scrutiny had the opportunity to scrutinise the proposed criteria and make recommendations to the Executive before it went to full Council for approval.

- A Member commented that it would have been useful, for scrutiny purposes, if the report had included a list of the 153 charities or not for profit organisations that would have benefited from the criteria and a reason why each charity or organisation would not fit the criteria where applicable.
- A Member made reference to an article that had appeared in the local press which highlighted the concerns raised by Eden Valley Hospice regarding the rate relief. She asked if the Hospice qualified for the rate relief.

The Community Engagement Portfolio Holder explained that Eden Valley Hospice had been brought into the rating system in April 2011 and would have received the 80% rate relief. Because the rateable value of the Hospice was above £18,000 it would be exempt from the additional 20% rate relief available under the proposed criteria.

- The Panel felt that the proposed criteria was only based on financial information and no consideration had been given to the contribution that particular charities or organisations made to the local community

The Community Engagement Portfolio Holder responded that a great deal of work had gone into preparing the criteria to ensure the budget would provide help to the highest number of charities and organisations as possible. 111 out of 153 charities and not for profit organisations could be helped using the proposed criteria. She added that consideration had been given to the contribution that charities or organisation gave to delivering the Corporate Plan but it had been felt that the Council should provide help to as many charities or organisations as they could.

The Community Engagement Portfolio Holder clarified that the 10% top up was available to any charity or not for profit organisations that submitted an appeal that met the relevant criteria.

The Communities, Housing and Health Manager (Ms Miller) informed the Panel that the charities and organisations had been informed of the changes via a letter. The letter explained what the changes were, how to view the relevant report and informed them that they would be kept informed of the changes and how it would affect them.

Mr Gerrard added that the appeal process criteria would not be a change to the Council's policy and would not have to be approved by full Council. He reminded Members of the changes to the Policy in January 2011 and stated that if the proposed changes were not agreed by Council then the Policy would remain as agreed in January 2011.

- Was there any information regarding the cost of the appeals to the Council?

Mr Gerrard explained that the Council had set aside a budget that would cover the appeals process.

- Was there a cost breakdown of the difference between the charities and the not for profit organisations to inform the Panel of the cost to the Council? There was serious concerns that the Council was asking third sector organisations to take on some of the Council's non statutory tasks and at the same time removing some of their financial support.

The Environment and Housing Portfolio Holder acknowledged the situation and believed that the proposed policy was the fairest way of ensuring the majority of organisations received support. He assured the Panel that a lot of work had been carried out to produce the criteria and a number of options had been considered.

The Performance and Development Portfolio Holder reminded Members that other support was available to organisations in the form of grants from the Council.

The Community Engagement Portfolio Holder suggested that a further report be submitted to the Panel at its meeting on 6 October 2011 which contained the additional information requested. It would also give the Panel Members the opportunity to discuss the criteria proposals and the options that had been rejected with the relevant officers or Portfolio Holder.

- Had the Council received any appeals from organisations that were outside of the District and did officers think that the current number of appeals received was low?

Ms Miller responded that 6 appeals had been received but it was not easy to determine if this was a low figure. One appeal had been received from an organisation outside of the District but within the County.

RESOLVED – 1) That a further Discretionary Rate Relief Policy report, including a full breakdown of the charities and not for profit organisations and a breakdown of costs, be submitted to the Panel on 6 October 2011.

2) That the same report be submitted to the Resources Overview and Scrutiny Panel on 13 October 2011.