EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 31 OCTOBER 2011

EX.128/11 DISCRETIONARY RATE RELIEF POLICY
(Key Decision)

(In accordance with Paragraph 15(i) of the Overview and Scrutiny Procedure Rules, the Mayor had agreed that call-in procedures should not be applied to this item)

Portfolio Community Engagement

Subject Matter

Pursuant to Minute EX.102/11, the Assistant Director (Community Engagement) submitted report CD.17/11 concerning the City Council's Discretionary Rate Relief Policy. He outlined the background to the matter, reminding Members that the Policy approved by Council on 11 January 2011 had phased in the capping of rate relief at 80% over two financial years from April 2011 in line with approved budget provision. Subsequently, on 13 September 2011 Council had granted 100% rate relief to the Eden Valley Hospice on the grounds that, by exception, it provided a remarkable and unique service to Carlisle's communities that was not replicated through alternative provision within the District. The policy amendment provided transitional arrangements for organisations which may have lost relief with effect from April 2011.

The Assistant Director (Community Engagement) 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. (That figure was the ceiling applied by Central Government for small business rate relief and as such acted as an appropriate delineation point). He added that, with the proviso that the total available budget be £54,500, the recommendation was brought forward on the basis of consideration of a number of options, namely:

Option 1 - recommended option of 100% relief to small and local charities. It was felt that this option provided the highest level of support for the widest grouping in a practical and consistent framework. The policy change would mean 132 out of 153 local enterprises would receive 100% rate relief, including most community centres, village halls, sports clubs and local charities.

Option 2 - provide 100% to all 182 charitable and not for profit organisations operating out of Carlisle - including whether registered in the City or through a National Office at a cost of £139,526. That option was outside of the available budget.

Option 3 - provide some additional discretionary relief to all organisations. Calculations were based on:

(a) providing 90% to all charitable and not for profit organisations at a cost of £778,037. That option was outside of the available budget.

(b) providing 90% to all small charitable and not for profit organisations at a cost of £26,040. That option was within the available budget.

(c) providing 90% to all local and small charitable and not for profit organisations at a cost of £223,979. That option was within the available budget.

Appendix 2 to the report listed all charities and not for profit organisations, and considered the cost to the Council of providing rate relief against those alternatives.

Option 4 - provide additional discretionary relief based on an organisation's contribution to Corporate Plan aims and objectives. That option was not included as the recommended option because of the likely difficulties in achieving, within budget, clear transparency and consistency. The analysis of current level of relief (Appendix 1) showed that for the majority of organisations the award would be relatively low, whilst the administration thereof was likely to be complex.

Regulations provided that there be a statutory right of Appeal in relation to any decision that the Council may make pursuant to its Discretionary Rate Relief Policy. Once the Council had established its policy in that area, a report dealing with the Appeals Procedure would be presented to the Executive at the earliest opportunity.

In conclusion, the Assistant Director (Community Engagement) recommended that the Executive approved the following amendments to the Discretionary Rate Relief Policy to full Council, to the effect that the Council:

1. provided 100% rate relief to small, local charities and not for profit making organisations as detailed in Option 1 above; and

2. that the Council confirm the authority's Discretionary Rate Relief Policy as shown in Appendix 1 to his report.

The Community Overview and Scrutiny Panel had on 1 September 2011 (Minute COSP.64/11) considered the matter and 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."

In addition, the Panel had on 6 October 2011 (COSP.79/11) resolved to recommend to the Executive that financial provisions should be found to enable the three Community Centres, who had not been eligible, to receive the full 100% Discretionary Rate Relief.

The Resources Overview and Scrutiny Panel had on 13 October 2011 (ROSP.77/11) resolved to support recommendation 1 as set out in Report CD.15/11 to give 100% rate relief to small and local charities.

Copies of the Minute Excerpts had been circulated.

The Chairman of the Community Overview and Scrutiny Panel had little further to add other than to outline the Panel's recommendations as set out above.

The Chairman of the Resources Overview and Scrutiny Panel reported that the Panel had welcomed the very full report and, following discussion, supported recommendation 1 (100% rate relief to small and local charities) as the fairest course of action.

The Community Engagement Portfolio Holder referred the meeting to Sections 1.5 and 1.6 of Report CD.17/11 emphasising that the Council's Policy phased in the capping of rate relief at 80% over two financial years; and that on 13 September 2011 the City Council had granted 100% rate relief to the Eden Valley Hospice by way of an exception. She stressed that the Council's budget was limited and a great deal of work had been undertaken on the development of the criteria.

The Portfolio Holder heard the comments submitted by the Overview and Scrutiny Panels, but pointed out that the three Community Centres referred to already received substantial grants from the Council. Accordingly, the Executive believed that Option 1 was the best way forward in providing the highest level of support to small and local charities. She therefore moved the recommendations set out within the Assistant Director's report.

Summary of options rejected Other options as detailed within Report CD.17/11 – Discretionary Rate Relief Policy

DECISION

That the Executive recommended the following amendments to the Discretionary Rate Relief Policy to full Council, to the effect that the Council:

1. provided 100% rate relief to small, local charities and not for profit making organisations as detailed in Option 1 of Report CD.17/11; and

2. confirmed the Authority's Discretionary Rate Relief Policy as shown in Appendix 1 to the report.

Reasons for Decision

The Executive is required to consider how to target its limited resources and achieve a positive outcome for Carlisle and District's communities.