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## **EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 30 AUGUST 2011**

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### **EX.102/11    DISCRETIONARY RATE RELIEF POLICY (Key Decision)**

(With the consent of the Chairman, and in accordance with Rule 15 of the Access to Information Procedure Rules, this item was included on the Agenda as a Key Decision, although not in the Forward Plan)

**Portfolio**     Community Engagement

#### **Subject Matter**

The Assistant Director (Community Engagement) 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.

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 (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 '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.

The Assistant Director (Community Engagement) 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 Community Engagement Portfolio Holder referred to the limited nature of the available budget which had necessitated the development of criteria which would make the best possible use of that budget. The proposed policy change took account of the comments/concerns raised by many small organisations in response to the phased capping of rate relief. She added that the figure was the ceiling applied by central government for small business rate relief and as such was commonly understood.

The Governance and Resources Portfolio Holder recognised the enormous amount of work and consultation which had been undertaken with a view to getting the best result for a large number of organisations. He emphasised the intolerable pressure placed upon the Council's budgets, proclaiming the proposed change to the Discretionary Rate Relief Policy to be an excellent outcome.

The Leader was also supportive of the work undertaken. He commented upon the very difficult nature of the decision which had not been taken in isolation. The City Council was very generous in terms of the rate relief provided. It was clearly unfortunate that certain organisations would be affected to a greater extent than others, but assistance was provided in a number of ways. In conclusion, he moved the recommendations set out in the Assistant Director's report.

**Summary of options rejected**    None

## **DECISION**

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.

### **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 before consideration by the Community Overview and Scrutiny Panel.