
EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 22 NOVEMBER 2011

EX.152/11 DISCRETIONARY RATE RELIEF (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)

Councillor Mitchelson, having declared a personal interest, made no comment on this item of business, other than in his capacity as Chairman.

Councillor Mrs Geddes, having declared a personal interest, took no part in discussion on this item.

Portfolio Community Engagement

Subject Matter

Pursuant to Minutes EX.128/11 and C.157/11(iii), the Assistant Director (Community Engagement) submitted report CD.20/11 (Amended) outlining changes to the City Council's Discretionary Rate Relief Policy on National Non Domestic Rates (NNDR) to apply from 2012 onwards. The proposed policy change would allow 100% relief to smaller local charities and other qualifying organisations on an ongoing basis.

The Assistant Director (Community Engagement) discussed considerations to be borne in mind in setting and managing discretionary relief on NNDR to charitable and non profit organisations, together with the background to the proposed policy change. He added that, further to the City Council's decision on 8 November 2011 to withdraw the report, this amended report corrected typographical errors contained within the original document.

The Assistant Director (Community Engagement) reminded Members that the Council had, on 13 September 2011, 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.

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). 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 non profit organisations at a cost of £78,037. That option was outside of the available budget.
- (b) providing 90% to all small charitable and non 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 non profit organisations at a cost of £23,979. That option was within the available budget.

Appendix 2 to the report listed all charities and non 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 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 approve the following amendments to the Discretionary Rate Relief Policy to full Council, to the effect that the Council approved:

1. amendment to the City Council's Discretionary Rate Relief Policy to provide 100% rate relief to small, local charities and non profit making organisations as detailed in Option 1 above; and

2. The Discretionary Rate Relief Policy Statement as shown in Appendix 1 to his report.

The Leader pointed out that copies of relevant Minute Excerpts, including Minute C.157/11 reflecting the Council's decision to withdraw the matter from discussion on 8 November 2011, had been circulated. He added that the reports previously considered by the Community and Resources Overview and Scrutiny Panels contained correct figures and therefore the matter would now be referred back to the City Council in January 2012.

Summary of options rejected Other Options as detailed within Report CD.20/11 (Amended)

DECISION

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

1. Amendment to the City Council's Discretionary Rate Relief Policy to provide 100% rate relief to small, local charities and non profit making organisations as detailed in Option 1 of Report CD.20/11 (Amended); and
2. The Discretionary Rate Relief Policy Statement 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.