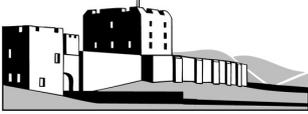


COMMUNITY OVERVIEW AND SCRUTINY PANEL

**CARLISLE
CITY COUNCIL**



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Panel Report

Public

Date of Meeting: 14th July 2011

Title: Carlisle City Council Policy on Discretionary Rate Relief to Charitable and Not For Profit Organisations

Report of: Assistant Director (Community Engagement)

Report reference: CD.09/11

Summary:

This report provides background concerning the changes to the City Council's policy on the application of rate relief on National Non Domestic Rates (NNDR) to charitable and not for profit organisations.

It outlines Central Government policy on the mandatory and discretionary elements of relief and the financial impact of how these impact on local authorities. This included detailing the varying levels of reimbursement provided by Central Government to local authorities when the apply rate relief.

Questions for / input required from Scrutiny:

Members are invited to consider and comment on the policy

Contact Officers: Margaret Miller

Ext: 7330

Context

Central Government has for a number of years provided reimbursement to local authorities in relation to both mandatory and discretionary rate relief as outlined below

Registered charities and friendly societies

Organisations that have formally recognised (Charity Commission) charitable purposes, i.e. registered charities and friendly societies, receive mandatory 80% relief on National Non Domestic Rates (NNDR). All of this is reimbursed to the City Council by Central Government. The City Council has the discretion to award up to another 20% relief on NNDR. Only 25% of this element is reimbursed from Central Government, the difference being a cost to the authority.

Non profit making organisations

Non profit making organisations that are not charities or friendly societies (including for example many local sports clubs) are only eligible to rate relief on NNDR at the discretion of the City Council. Central Government will reimburse the City Council 75% of whatever relief is provided. The remainder comes from City Council resources

Carlisle City Council's Policy

The City Council policy on discretionary rate relief approved by Council on 11 January 2011 phases in the capping of rate relief at 80% - for all charitable/friendly society and not for profit organisations - over two financial years from April 2011. Budget provision for rate relief over the two year period will reduce from £83,000 in 2011/12 to £48,000 in 2012/13.

In the current financial year (2011/12), local and national charities will be awarded any discretionary relief. From 2012, all remaining not for profit enterprises will be similarly effected by the new policy.

The Policy on Discretionary Rate Relief was approved by Council on 11 January 2011. In the current financial year, 71 charitable organisations have had their rate relief capped at the 80% mandatory threshold and received bills for varying amounts. £18,000 is available in the current financial year to for use to support organisations suffering significant hardship as a result this policy Five charities have appealed against the policy on "hardship" grounds.

Does the change have an impact on the following?

Equality Impact Screening	Impact Yes/No?	Is the impact positive or negative?
Does the policy/service impact on the following?		
Age	Yes	negative
Disability	Yes	negative
Race	No	
Gender/ Transgender	Yes	negative
Sexual Orientation	Yes	negative
Religion or belief	Yes	negative
Human Rights	No	
Health inequalities	Yes	negative
Rurality	Yes	negative

If you consider there is either no impact or no negative impact, please give reasons:

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If an equality Impact is necessary, please contact the P&P team.

Any changes to the discretionary rate relief policy will be covered by the EqIA 7 Financial Services

