

<b>Subject:</b>	Discretionary Business Rates Relief		<b>Status:</b>	For Publication	
<b>Report to:</b>	Cabinet		<b>Date:</b>	5 <sup>th</sup> September 2012	
<b>Report of:</b>	Head of Finance		<b>Portfolio Holder:</b>	Finance & Resources	
<b>Key Decision:</b>	<input type="checkbox"/>	Forward Plan <input type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>	
<b>Community Impact Assessment</b>	Required:	Yes	Attached:	Yes (Initial CIA)	
<b>Biodiversity Impact Assessment</b>	Required:	No	Attached:	No	
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1.	<b>RECOMMENDATION(S)</b>
1.1	That Cabinet considers the contents of the report in light of the challenges identified in the Council's updated Medium Term Financial Strategy
1.2	That Cabinet notes progress to date on consultation with regards to reviewing the discretionary rate relief currently provided to organisations in relation to National Non-Domestic Rates (NNDR – "Business Rates"), in view of the Council having to save £1.3m as part of the Medium Term Financial Strategy.

## 2. PURPOSE OF REPORT

- 2.1 To provide Cabinet with a report that summaries the present funding arrangements in relation to discretionary Business Rates relief. This was an area identified for review in the June 2012 Cabinet report on the Medium Term Financial Strategy.
- 2.2 To update Cabinet on progress to date on consultation with regards to reviewing the financial cost of discretionary rate relief currently provided to organisations in relation to NNDR, in view of The Council having to save £1.3m as part of the Medium Term Financial Strategy.

## 3. CORPORATE PRIORITIES

- 3.1 The matters discussed in this report impact directly on the following corporate priorities:
- **A clean and green Rossendale** – creating a better environment for all
  - **A healthy and successful Rossendale** – supporting vibrant communities and a strong economy
  - **Responsive and value for money local services** – responding to and meeting the different needs of customers and improving the cost effectiveness of services.

## 4. RISK ASSESSMENT IMPLICATIONS

- 4.1 Adequate notice is required of any withdrawal of funding. Therefore any changes for 2014/15 require notification by 31<sup>st</sup> March 2013.
- 4.2 Any funding reductions put additional pressure on community groups at a time of austerity and reducing financial resources.

4.3 Any changes should have due consideration of the Councils hardship and discretionary policy.

## 5. BACKGROUND AND OPTIONS

5.1 The Council currently financially supports a number of charitable and community organisations by granting them relief for Business Rates. In the main the support ranges from a 20% contribution for those organisations having a Charity Commission registration or Community Amateur Sports Club (CASC) to 100% where no formal status applies. Charities and CASCs automatically receive 80% mandatory relief from Business Rates – this element is funded by Central Government. The remaining 20% where supported by Council costs 75% of the balance. Where Council support non-Charitable/CASC bodies this costs Council 25% of the business rates bill.

5.2 The Councils support for such organisations is summarised below based on the current 12/13 position:

Organisation Status	NNDR subject to discretionary relief range	Number of organisations	Annual Value of the Business Rates Relief £	Annual Cost to Council £
Charitable/CASC Bodies	20%	47	42,484	31,862
Others	100%	7	18,309	4,577
Total		54	60,792	36,439

5.3 Any notice of change to any organisations NNDR relief should be given in the preceding financial years with at least a gap of a full financial year prior to implementing any change.

5.4 Excluding leisure operators, Council support ranges from an annual cost of £50 to £1,334 the average being £327 based on 53 claims

5.5 The largest benefactors of Business Rates support are the borough's 3 leisure operators: Rossendale Leisure Trust (RLT), Community Leisure Association of Whitworth (CLAW) and Ski Rossendale as follows:

Organisation	Organisations Status	NNDR subject to discretionary relief range	Annual Value of the Business Rates Relief £	Annual Cost to Council £
RLT	Charity	20%	13,094	9,819
CLAW	Charity	20%	6,554	4,916
Ski Ross'	Charity	20%	5,830	4,372
Total			25,468	19,107

- 5.6 Based on the information currently available, a potential negative impact has been identified for some protected equality groups, as set out within the community impact assessment. Actions to mitigate/ reduce the potential impact are also considered.

As consultation with those potentially affected by the proposed change is ongoing, the impact assessment will be informed and reviewed accordingly following the consultation responses, and will be used to inform Members making any final decision.

The final decision will be made and implemented in line with the Council's Equality Policy and duties accordingly

#### **COMMENTS FROM STATUTORY OFFICERS:**

#### **6. SECTION 151 OFFICER**

- 6.1 Financial matters are noted in the report

#### **7. MONITORING OFFICER**

- 7.1 No material matters arising

#### **8. HEAD OF PEOPLE AND POLICY (ON BEHALF OF THE HEAD OF PAID SERVICE)**

- 8.1 There are no Human Resources implications arising from the report.

- 8.2 There is a need to consider the implications of any decision on protected equality groups. The Equality Act 2010 requires the Council to have due regard in the exercising of its functions to three considerations. The need to:

- Eliminate discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Act.
- Advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it.
- Foster good relations between people who share a relevant protected characteristic and those who do not share it.

The amount of regard that is "due" is set out in the Act and will depend on the circumstances of the case. Under the general equality duty there is a requirement to engage with people with protected characteristics and to have an adequate evidence base for Council decision-making. The Council is under a Duty to Consult representatives of a wide range of local people; this should include local voluntary and community organisations and small businesses in such consultation.

#### **9. CONSULTATION CARRIED OUT**

- 9.1 All existing recipients of discretionary charitable relief, specifically to "seek their views as to the impact on their own organisation, other organisations and the wider community should this financial support be withdrawn by this Council in the future."

- 9.2 Wider public consultation via Council's website "Have Your Say".

9.3 The Cabinet portfolio holders for Finance & Resources and Customers, Legal & Licensing.

## 10. CONCLUSION

10.1 The report summaries the present grant funding arrangements in relation to discretionary Business Rates relief.

Background Papers	
Document	Place of Inspection
Cabinet report, Wednesday 29th June 2012, Item D3	<a href="http://www.rossendale.gov.uk/site/scripts/meetings_info.php?meetingID=707">http://www.rossendale.gov.uk/site/scripts/meetings_info.php?meetingID=707</a>
Letter to current recipients of NNDR relief	Finance
Local Taxation Discretionary Relief Policy	Finance and website:
Consultation feedback received to date	Finance