
DISCRETIONARY RATE RELIEF 2004/2005

**Responsible Cabinet Member(s) - Councillor Don Bristow,
Resource Management Portfolio**

Responsible Director(s) - Paul Wildsmith, Director of Corporate Services

Purpose of Report

1. A number of new applications in respect of discretionary rate relief have been received from various charitable and non profit making organisations, details of which are shown in the report.

Background Information and Criteria

2. Discretionary Rate Relief (DRR) is an optional power Local Authorities have under section 47 of the Local Government Finance Act 1988 to assist charitable and other non profit making organisations to reduce their liability in respect of business rates.
3. Charitable organisations are eligible to receive 80% mandatory rate relief which is 100% grant aided through the national non domestic rates pool (NNDR). In addition, discretionary rate relief of up to a further 20% can be awarded to these organisations, of which 25% is grant aided through the non domestic rates pool, with the balance of 75% being chargeable to this Council's revenue budget.
4. Other non profit making organisations which do not have charitable aims e.g. clubs, societies or other organisations and are for the purposes of recreation, literature or fine arts can apply for discretionary rate relief of up to 100% of the overall total rates liability, 75% of this cost is offset against payments into the national non domestic rates pool and the remaining 25% being chargeable to this Council's revenue budget.
5. For all types of Discretionary Rate Relief there is a 2004/05 budget provision of £23,000.
6. Historically over a number of years a pattern has emerged whereby the Council has awarded the following to charitable and non profit making organisations :-
 - (a) Discretionary rate relief of 20% has been awarded where an organisation receives 80% mandatory rate relief.
 - (b) Discretionary rate relief of 50% has been awarded where an organisation is not in receipt of mandatory rate relief and do not have a drinks licence for their premises.

- (c) Discretionary rate relief of usually 10% has been awarded where an organisation is not in receipt of mandatory rate relief but where they have a drinks licence for their premises.

Information and Analysis

New Applications

7. Blythswood Care Trust – Unit 9, Whessoe Road, Darlington – Property Reference 6000185771

(a) *Introduction*

An application has been received from the Financial Controller of this organisation in respect of 20% discretionary rate relief amounting to £239.76 for offices occupied by them at Unit 9, Whessoe Road, Darlington from 1st April 2003 until 31st March 2004 only. Mandatory Rate Relief of 80% has already been granted in the sum of £959.04.

This organisation is a registered charity and the trust's principal activities continue to be ministering to people's spiritual and physical needs in the provision of relief supplies and in assisting the development of projects in Eastern European and other countries. Literature is also sent on request to people and organisations in Africa, the UK, and Eastern Europe.

(b) *Financial Information*

No local accounts were available however, consolidated audited accounts representing the two previous years ended 31st December, 2002 have been submitted and are analysed in the table below.

	Year Ended 31st December	
	2001	2002
	£000's	£000's
Income		
Donations	4,023	5,239
Legacies	53	75
	4,076	5,314
Expenditure		
Costs of Activities	3,903	5,132
Management & Administration	299	242
	4,202	5,374
Surplus/(Deficit)	(126)	(60)
Fund Balances at 31/12/2002	325	265

(c) **Rate Liability – Unit 9, Whessoe Road Darlington – 6000185771**

The rates due on the property from 1st April, 2003 until 31st March 2004 only are as follows :-

		2003/4	2004/5	Total
		£	£	
100%	Rate Liability	1198.80	0.00	1198.80
80%	Mandatory Rate Relief	<u>959.04</u>	<u>0.00</u>	<u>959.04</u>
20%	Amount Outstanding	239.76	0.00	239.76

(d) **Previous Applications**

The Blythwood Care Trust has not previously applied for discretionary rate relief on its premises.

(e) **Conclusion**

The Cabinet is asked to consider whether it wishes to support this application from the Blythwood Care Trust, and if so, to what extent.

8. **Darlington Business Venture – Offices located at Room 205, The Imperial Centre, Grange Road, Darlington – Property Reference 6000148883-0**

(a) **Introduction**

An application has been received from the Director of this organisation in respect of 20% discretionary rate relief amounting to £247.50 for offices occupied by them from 1st April 2003 located at Room 205, The Imperial Centre, Darlington. Mandatory Rate Relief of 80% has already been granted in the sum of £990.00.

This organisation is a registered charity and was founded in 1984 and it is a ‘not for profit’ company, limited by guarantee by the Department of Trade and Industry. The Company aims to assist in the improvement of economic prosperity by the encouragement of business enterprise and the co-ordination of local business knowledge and resources.

From its offices in Northgate House the company is committed to providing quality, cost effective value for money services for small businesses providing focused support where it is needed.

(b) **Financial Information**

Consolidated audited accounts representing the two previous years ended 31st March, 2003 have been submitted and are analysed in the table below.

	Year Ended 31st March	
	2003	2002
	£	£
Income		
Grants	4,385	5,113
Rents	162,526	149,248
Events	97,496	79,045
Business Starts and Reviews	121,803	128,353
Other	71,611	45,168
	457,821	406,927
Expenditure		
Wages	205,509	151,193
Running Costs	194,358	171,170
Repairs	19,401	12,221
Legal/Professional Fees	72,396	19,185
Other	61,753	31,646
	553,417	385,415
Surplus/(Deficit)	(95,596)	21,512
Cash at Bank and in Hand	203,004	88,608

(c) **Rate Liability – Room 205, Imperial Centre, Grange Road, Darlington – 6000148883-0**

The rates due on the property from 1st April, 2003 are as follows :-

		2003/4	2004/5	Total
		£	£	
100%	Rate Liability	610.50	627.00	1,237.50
80%	Mandatory Rate Relief	<u>488.40</u>	<u>501.60</u>	<u>990.00</u>
20%	Amount Outstanding	122.10	125.40	247.50

(d) **Previous Applications**

Darlington Business Venture has been successful in applying for discretionary rate relief on two other properties, namely 6th and 9th Floor, Northgate House, St. Augustines Way, Darlington and were awarded 20% discretionary rate relief of £2419.80 and £2210.00 respectively. Cabinet C173/January 2004 refers.

(e) **Conclusion**

The Cabinet is asked to consider whether it wishes to support this application from The Darlington Business Venture, and if so, to what extent.

9. **Hospitaller Order of St. John of God – Various Offices located at 1 Houndgate, Darlington and 35/36 Blackwellgate, Darlington – Property References 600018585-6, 6000185851-4, 6000185852-3, 6000185853-2, 6000185857-9, 6000185855-0, 6000185854-1**

(a) **Introduction**

Seven applications have been received from the Director of this organisation in respect of 20% discretionary rate relief amounting to £1,125.00 in total for seven offices occupied by them from 1st September 2003 located at 1 Houndgate, Darlington and 35/36 Blackwellgate, Darlington. Mandatory Rate Relief of 80% has already been granted in all instances in the sum of £4,499.97.

This organisation is a registered charity and is committed to enabling vulnerable and disadvantaged people to improve their lives by providing services that make a huge difference to the way they live. The aims of the Hospitaller Order of St. John of God are also to provide specialist care for people in the region who suffer from Alzheimers Disease. Additionally there is a nursing home facility for people requiring nursing care. Day services are also provided which promotes integration within mainstream society for people who through sickness or disability may otherwise be in danger of being marginalised.

(b) **Financial Information**

No local accounts were available however, consolidated audited accounts representing the two previous years ended 31st March, 2002 have been submitted and are analysed in the table below.

	Year Ended 31st March	
	2001	2002
	£000's	£000's
Income		
Fees Received	10,675	10,091
Donations and Legacies	276	188
Investment Income	140	114
	11,091	10,393
Expenditure		
Provision of Hospital Services	2,817	1,127
Accommodation and Day Services	8,263	8,776
Project Support Costs	1,298	760
Fundraising and Publicity	30	31
Management And Administration	65	154
	12,473	10,848
Surplus/(Deficit)	(1,382)	(455)
Cash at Bank and in Hand	608	1,536

Rate Liability – Room 11, 1 Houndgate, Darlington – 6000185856-X

The rates due on occupation of the property from 1st September, 2003 is as follows :-

		2003/4	2004/5	Total
		£	£	
100%	Rate Liability	392.94	745.42	1,138.36
80%	Mandatory Rate Relief	<u>314.35</u>	<u>596.34</u>	<u>910.69</u>
20%	Amount Outstanding	78.59	149.08	227.67

Rate Liability – Offices, 1 Houndgate, Darlington – 6000185851-4

The rates due on occupation of the property from 1st September, 2003 is as follows :-

		2003/4	2004/5	Total
		£	£	
100%	Rate Liability	387.59	684.00	1,071.59
80%	Mandatory Rate Relief	<u>310.07</u>	<u>547.20</u>	<u>857.27</u>
20%	Amount Outstanding	77.52	136.80	214.32

Rate Liability –Room 11, 35-36 Blackwellgate, Darlington – 6000185852-3

The rates due on occupation of the property from 1st September , 2003 is as follows :-

		2003/4	2004/5	Total
		£	£	
100%	Rate Liability	238.84	453.09	691.93
80%	Mandatory Rate Relief	<u>191.07</u>	<u>362.47</u>	<u>553.54</u>
20%	Amount Outstanding	47.77	90.62	138.39

Rate Liability –Room 12, 35-36 Blackwellgate, Darlington – 6000185853-2

The rates due on occupation of the property from 1st September, 2003 is as follows :-

		2003/4	2004/5	Total
		£	£	
100%	Rate Liability	238.84	453.09	691.93
80%	Mandatory Rate Relief	<u>191.07</u>	<u>362.47</u>	<u>553.54</u>
20%	Amount Outstanding	47.77	90.62	138.39

Rate Liability –Room 13-14, 35-36 Blackwellgate , Darlington – 6000185857-9

The rates due on occupation of the property from 1st September, 2003 is as follows :-

		2003/4	2004/5	Total
		£	£	
100%	Rate Liability	274.79	521.30	796.09
80%	Mandatory Rate Relief	<u>219.83</u>	<u>417.04</u>	<u>636.87</u>
20%	Amount Outstanding	54.96	104.26	159.22

Rate Liability –Room 15, 35-36 Blackwellgate, Darlington – 6000185855-0

The rates due on occupation of the property from 1st September , 2003 is as follows :-

		2003/4	2004/5	Total
		£	£	
100%	Rate Liability	192.61	365.40	558.01
80%	Mandatory Rate Relief	<u>154.09</u>	<u>292.32</u>	<u>446.41</u>
20%	Amount Outstanding	38.52	73.08	111.60

Rate Liability –Room 16, 35-36 Blackwellgate, Darlington – 6000185854-1

The rates due on occupation of the property from 1st September , 2003 is as follows :-

		2003/4	2004/5	Total
		£	£	
100%	Rate Liability	233.70	443.35	677.05
80%	Mandatory Rate Relief	<u>186.96</u>	<u>354.68</u>	<u>541.64</u>
20%	Amount Outstanding	46.74	88.67	135.41

(c) Previous Applications

The Hospitaller Order of St. John of God have previously applied for and been granted 20% discretionary rate relief amounting to £1,126.73 on additional offices occupied by them at the following locations in the previous financial year, and which are also valid in the current financial year:-

Address	Property Reference	Amount £
1 st Floor Offices, 51 Duke Street, Darlington	6000180504	461.76
1 st Floor Offices, 1 Houndgate, Darlington	6000185389	309.32
Rear 35/36 Blackwellgate, Darlington	6000185457	172.41
Rooms 21-25, Rear 35/36 Blackwellgate, Darlington	6000185454	118.59
2nd Floor Offices, 1 Houndgate, Darlington	6000185391	64.65
Total		1,126.73

(d) **Conclusion**

The Cabinet is asked to consider whether it wishes to support these further applications from The Hospitaller Order of St. John of God, and if so, to what extent.

Summary

10. A summary outlining the financial implications relating to the applications in this report for discretionary rate relief in 2004/05 and 2005/6 together with summary details of applications approved previously are highlighted in the table below.

		Amounts Due or Committed	Proportion borne locally by Council Tax payers
		£	£
(a)	New Application – Blythwood Care Trust who is already in receipt of 80% mandatory rate relief on their premises.	239.76	179.82
(b)	New Application – Darlington Business Venture who is already in receipt of 80% mandatory rate relief on their premises.	247.50	185.63
(c)	New Applications – Hospitaller of St. John of God who are already in receipt of 80% mandatory rate relief on their premises.	1,125.00	843.75
(d)	Applications committed relating to 2004/05 already approved in this financial year.	23,389.20	16,351.75

(e)	Applications committed relating to 2004/05 already approved in the previous financial year.	24,478.58	16,771.04
(f)	Approved Budget 2004/05		(23,000.00)
			(11,331.99)

11. If all requests are approved as shown above, there will be an overspend of £11,331.99 in 2004/05 that will need to be accommodated from other corporate budgets.

Outcome of Consultation

12. No consultation is taken on these items as a decision is made by Members.

Legal Implications

13. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers needs to be brought to the specific attention of Members, other than those highlighted in the report.

Section 17 of the Crime and Disorder Act 1998

14. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

Council Policy Framework

15. There are no issues contained within this report which represent significant Council policy or a change in the Authority's agreed policy framework.

Decision Deadline

16. For the purposes of the Scrutiny Committee's 'call in' procedure, the issues under consideration are not defined as urgent.

Recommendation

17. The instructions of Members are requested on all new applications.

Paul Wildsmith
Director of Corporate Services

Background Papers

Application forms and a copy of the latest accounts.

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