

WARWICK DISTRICT COUNCIL

TO: RESOURCES SUB COMMITTEE - 7TH FEBRUARY 2000

SUBJECT: DISCRETIONARY RATE RELIEF 1999/2000.

FROM: FINANCE.

1. **PURPOSE OF REPORT**

1.1_ To decide on the levels of rate relief to be granted in respect of various voluntary and charitable organisations.

2. **BACKGROUND**

2.1. Appendix A details the guidelines used in deciding upon the appropriate level of discretionary rate relief.

2.2. Under the scheme the Council is required to award 80% mandatory rate relief to charities, and has the authority to give discretionary rate relief in respect of the remaining 20%, with the Council funding 75% of the discretion. In respect of other non - profit making organisations the Council can give discretionary relief of up to 100%, of which only 25% is funded by the Council, the remainder being paid for by the Government.

2.3 Section 1 of Appendix A identifies those groups likely to receive 100% relief, Section 2 deals with all other voluntary groups and sets out a criteria for determining the appropriate level of relief.

3. **DISCRETIONARY RATE RELIEF 1999/2000.**

3.1 Appendix B details those cases which have been received in respect of 1999/2000 and upon which a decision is required.

4. **REVIEW OF VILLAGE SHOPS RATE RELIEF SCHEME.**

4.1. Members will recall that from 1st April 1998 a scheme to award rate relief to village shops became effective. This scheme is now the second year and as originally intended we now give Members an opportunity to review this scheme.

4.2. In carrying out this review the Local Government and Rating Act requires that we re-examine the list of Rural Settlements each year, and this exercise has been undertaken. I can report that there are no alterations to our list, and it will, therefore,

remain unchanged, as shown in Appendix C.

- 4.3. Members are asked to consider whether they wish to review the current criteria for the scheme as detailed in Appendix D. To assist Members with this evaluation, information relating to how this scheme has operated in 1999/2000 is detailed below.

5. OPERATION OF THE SCHEME DURING 1999/2000.

- 5.1. The full cost of mandatory relief is borne by the national exchequer, through offsetting the cost of payments to the National Business Rates Pool.
The Council must bear the cost of 75% of any top up relief to those entitled to mandatory relief, and 25% of the total relief granted to others.

- 5.2. During 1999/2000 the level of relief awarded by this scheme is summarised as:
- | | |
|---|-------------------|
| Total amount of mandatory awards to date: | £ 3,219.61 |
| Total amount of discretionary awards to date: | £12,734.72 |
| <u>Total awards to date:</u> | <u>£15,954.33</u> |

The cost to the Council of awards of discretionary rate relief to village shops in 1999/2000 has been £4,572.68.

A similar provision has been made in the budgets for 2000/2001.

- 5.3. In 1999/2000 17 application forms were issued, and of these 10 applications were received. One new application was also received during 1999/2000.

- 5.4. Of the 11 applications received during 1999/2000:

- 6 Applicants were awarded 50% mandatory relief, 5 of which were granted a further 50% discretionary relief, and one applicant a further 25% discretionary relief.
- 4 Applications were awarded discretionary relief alone. (2 were awarded 100% and 2 were awarded 75%)
- 1 Applicant received nothing, as it was felt the nature of their business did not permit them into this scheme, given the criteria currently in use. (E.g. Interior Design Business.)

- 5.5. It is not anticipated there will be any further applications in 1999/2000.

6. REVALUATION 2000.

- 6.1. Members will be aware that all Non Domestic Properties are subject to revaluation every five years. With effect from 1st April 2000 new rateable values arising from Revaluation will become effective.

- 6.2. Notice has been received from the DETR advising that a provisional poundage has been set for 2000/2001 at 41.6 pence in the pound. This is lower than the current

multiplier, with the reduction being designed to offset the effect of the general increase in rateable value arising from Revaluation.

There is also a transitional relief scheme in place which will phase in the impact of the revaluation from 1st April 2000.

- 6.3. The Government is currently considering whether to raise the thresholds for village shop rate relief, in light of the Revaluation.

7. KEY ISSUES STRATEGIES

- 7.1 Elements of the Key Issues Strategies which are particularly relevant to this scheme are:

EC2 - To support and encourage local business in villages where they have the support of the local community and where there is a suitable infrastructure in place.

8. RECOMMENDATIONS

- 8.1 Members are asked to decide upon the level of discretionary rate relief to be awarded as detailed in Appendix B.

- 8.2. Members are asked if they wish to review the criteria currently used in awarding relief to Village Shops, as detailed in paragraph 4.3.

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Background Papers: Individual Case Files.

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Areas in District Affected: Kenilworth, Leamington Spa, Warwick, and all Rural Settlements as listed in Appendix C.

