



Council name	<b>COTSWOLD DISTRICT COUNCIL</b>
Name and date of Committee	<b>CABINET - 6<sup>TH</sup> JANUARY 2020</b>
Report Number	<b>AGENDA ITEM (10)</b>
Subject	<b>APPLICATIONS FOR DISCRETIONARY RATE RELIEF</b>
Wards affected	The Ampneys & Hampton Ward - Cllr. Lisa Spivey Watermoor Ward - Cllr. Gary Selwyn
Accountable member	Cllr. Mike Every - Deputy Leader and Cabinet Member for Finance Email: <a href="mailto:mike.every@cotswold.gov.uk">mike.every@cotswold.gov.uk</a>
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Summary/Purpose	To determine one new application for Discretionary Rate Relief submitted under Section 47 of the Local Government Finance Act 1988 for the financial year 2018/19 and 2019/20; and one request to reconsider the percentage of Discretionary Rate Relief already awarded for the 2019/20 financial year
Annexes	Exempt Annex A - Application Form - Huddle Rocks Ltd. Exempt Annex B - Application Form - New Brewery Arts Ltd.
Recommendation/s	<p>a) <i>That Cabinet approves the discretionary rate relief in respect of The Huddle Rocks Ltd;</i></p> <p>b) <i>That the discretionary rate relief award for the Huddle Rocks Ltd be limited to 31 March 2020 to allow registration as a Community Interest Company;</i></p> <p>c) <i>That Cabinet approves the additional discretionary rate relief in respect of New Brewery Arts.</i></p>
Corporate priorities	Ensure that all services delivered by the Council are delivered to the highest standard.  Help residents, businesses and communities to access the support they need to ensure a high level of health and well-being
Key Decision	NO

Exempt	Exempt Annexes, containing supporting information relating to the applications
Consultees/ Consultation	Leader and Deputy Leader of the Council; Head of Paid Service; Section 151 Officer; Monitoring Officer; Publica Executive Directors and Group Managers

## 1. BACKGROUND

- 1.1. Cotswold District Council has the power (exercised through the Cabinet) to consider granting, on an individual basis, Discretionary Rate Relief to non-profit making organisations and organisations suffering financial hardship.
- 1.2. The Council generally awards discretionary reliefs to accord with the Rating List. Specifically awards are made for the full period of the List where the value to the customer is below £500 per annum and for a maximum of two years where the value to the customer is in excess of £500 per annum. However, the Council has the discretion to award for any period it deems to be appropriate.
- 1.3. The current Rating List ends on 31 March 2021. The new requests therefore relate to the List which commenced on 1 April 2017.

## 2. MAIN POINTS

- 2.1. The Council has received one new application for Discretionary Rate Relief in relation to Business Rate liability for the financial years 2018/2019 and 2019/2020; and one request to reconsider the percentage of Discretionary Rate Relief already awarded for the financial year 2019/2020.

- 2.2. An overview of the applications is as follows:

- 1) The Huddle Rocks Ltd: This is a newly-created not-for-profit organisation serving as a community hub for local people and businesses to work learn and grow. It provides a range of services free of charge which support the local community, space for local networking events, a private meeting room for parish council meetings and a private garden for use in fundraising events. The hub has also been carefully designed to give full access to people with disabilities.

The Huddle Rocks Ltd offers a variety of membership packages from permanent desk membership which allows 24/7 access to hot desks to a pay-as-you-go model. All memberships are reserved for residents of Cotswold District, and those who live within the parish of Poulton can receive a subsidised membership.

The Huddle Rocks Ltd as yet, has not formed a Community Interest Company which would allow them to receive mandatory rate relief of 80%. This is due to the costs involved in setting up such a company. During their first year of business, the organisation made a significant loss.

- 2) New Brewery Arts: This is a registered charity that benefits the community through its artistic programme of exhibitions, workshops and educational courses. It currently delivers 25,000 hours of learning to 1,753 adults and children. There is also a bursary programme that grants free places to those in the community who are suffering such things as financial hardship, social isolation, unemployment, trauma and chronic illness.

New Brewery Arts also receive around 250,000 visitors a year and is stated to be the most important site for the preservation of the UK's heritage craft skills in the UK, with many crafts that are at risk of becoming extinct being supported.

In 2020 the Brewery buildings will be 200 years old and each year the charity is paying £67,000 in building repairs, rent, rates and utilities. 97% of their running costs are met through trading and charitable activities.

New Brewery Arts currently receives 80% mandatory relief and an additional 10% discretionary rate relief, and although the charity works hard to generate income through its café and Barrel Store accommodation and through other external funding sources, it is struggling to return any surplus and is continuously having to draw down from its reserves to continue operating.

### 3. FINANCIAL IMPLICATIONS

- 3.1. Cotswold District Council is part of the Gloucestershire 50% Business Rates Pool and the costs of awarding discretionary rate relief is shared as follows:

- Central Government            50%
- County Council                    10%
- District Council                    40%

- 3.2. Therefore the cost to the Council of applying discretionary rate relief is as follows:

	Current		Recommendation			
	Total Rates £	Rates after Relief(s)	% Relief	Value to Applicant £	Cost to CDC £	Applicant to pay £
The Huddle Rocks Ltd	(2018/19) 5,136.66	5,136.66	80%	4,109.33	1,643.73	1,027.33
	(2019/20) 7,733.25	7,733.25	80%	6,186.60	2,474.64	1,546.65
New Brewery Arts	45,864.00	4,586.40	Additional 10%	4,586.40	1,834.56	0.00

#### **4. LEGAL IMPLICATIONS**

- 4.1. Section 47 of the Local Government Finance Act (1988) permits the billing authority to grant discretionary rate relief to charities and other organisations of prescribed types

#### **5. RISK ASSESSMENT**

- 5.1. The approval, or otherwise, of the individual applications does not set a precedent or carry any significant risk to the Council or its residents as each application is considered on an individual basis. There is a risk that if we fail to approve due only to Council budget considerations, when others have been granted relief in similar circumstances, the decision could be challenged.

#### **6. ALTERNATIVE OPTIONS**

- 6.1. Cabinet could award different levels of Rate Relief to those recommended.

#### **7. BACKGROUND PAPERS**

- 7.1. Applications and supporting documentation for both The Huddle Rocks Ltd and New Brewery Arts are exempt on the grounds that the applications involve likely disclosure of exempt information as defined in paragraph (3) of Part I of Schedule 12A to the said Act (Information relating to financial or business affairs) and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information concerned.

(END)