

**REPORT TO:** Executive Board

**DATE:** 13 December 2018

**REPORTING OFFICER:** Strategic Director – Enterprise, Community and Resources

**SUBJECT:** Discretionary Non-Domestic Rate Relief

**PORTFOLIO:** Resources

**WARD(S):** Borough-wide

## **1.0 PURPOSE OF REPORT**

1.1 The purpose of this report is to consider two applications for discretionary non-domestic rate relief, under Section 47 of the Local Government Finance Act 1988.

## **2.0 RECOMMENDATION: That**

- 1) Discretionary rate relief of 90% be awarded to Power in Partnership Ltd from 4<sup>th</sup> January 2016 until 31<sup>st</sup> March 2022; and**
- 2) the application for an additional 5% discretionary rate relief from Widnes Sea Cadet Corps in respect of their premises in Cliffe Street, Widnes, be refused.**

## **3.0 SUPPORTING INFORMATION**

- 3.1 Under the amended provisions of the Local Government Finance Act 1988, the Council is able to grant up to 100% discretionary rate relief to any business ratepayer. This relief had previously only been available to organisations that were a registered charity, a community amateur sports club or a not-for-profit organisation.
- 3.2 From 1<sup>st</sup> April 2017 the Council became responsible for meeting the full cost of all mandatory and discretionary relief granted, as part of the Liverpool City Region 100% Business Rates Retention Pilot Scheme.
- 3.3 For not-for-profit organisations where discretionary rate relief has been granted in the past, the Council has in the main granted a maximum of 90% discretionary rate relief. The organisations themselves then have to meet the remaining 10% of their business rates liability.
- 3.4 In the main, only 15% discretionary top-up relief has been awarded for registered charities and CASC organisations. The organisations

themselves then have to meet the remaining 5% of their business rates liability

- 3.5 In instances where discretionary business rate relief is granted, the Council currently grants discretionary business rate relief to organisations for a three year period. On 22<sup>nd</sup> February 2018 the Board approved granting the existing reliefs for a further three year period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2022.

**Power In Partnership Ltd**

7, Queens Avenue, Widnes, Cheshire, WA8 8HR

- 3.6 An application for discretionary rate relief has been received from a not-for-profit organisation Power in Partnership Ltd in respect of their premises at 7 Queens Avenue Widnes.
- 3.7 Power in Partnership Ltd is a not-for-profit “community college” who work with young people in the community. The organisation’s overall aim and purpose is to provide foundation learning and skills to disengaged and disadvantaged young people. All funds generated by the organisation are reinvested back into the organisation to support the delivery of its aims and objectives.
- 3.8 The organisation has provided a statement of its key objectives which are as follows;
- (i) To increase, promote and deliver projects to achieve further skills and life chances.
  - (ii) To provide opportunities to achieve economic, personal health and wellbeing.
  - (iii) To work with first level steps to new skills for those with barriers to learning and employment, including those with special needs and the vulnerable.
  - (iv) To provide or assist in the provision, in the interests of social welfare, of facilities for recreation and other leisure time occupation for men and women.
  - (v) To provide, improve and manage houses and premises providing drop in services, Residential accommodation, training and information and advice for men and women of all ages upon terms appropriate to their means.
- 3.9 The organisation currently has around 140 young people involved in their programmes. They provide data to the Council’s 14-19 team to assist them with collating statistics for young people not in education, employment or training (NEET). Young people are referred to Power in Partnership from a variety of sources including; Young Offender Teams, the Council’s 14-19 team, vulnerable NEET group referrals, college referrals, housing referrals, care homes, and self-referrals.

- 3.10 The application for discretionary rate relief only relates to premises at 7 Queens Avenue, Widnes. However, the organisation also has premises at 5 Alcock Street, Runcorn and Unit 1a, Whitchurch Way, Halton Lodge, Runcorn. The latter two premises were previously subject to small business rate relief, however, this no longer applies under Regulations.
- 3.11 Power in Partnership Ltd moved into the Queens Avenue premises on 4th January 2016, however, the landlord has only just informed the Council. The organisation is therefore also seeking discretionary rate relief backdated to 4<sup>th</sup> January 2016. The organisation has applied for 100% relief, however, previously only 90% relief has been awarded to not-for-profit organisations.
- 3.12 If 90% discretionary rate relief were awarded to the organisation, the annual cost to the Council for would be £1,620. The cost for the backdated period from 4<sup>th</sup> January 2016 to 31<sup>st</sup> March 2018 would be £3,169.
- 3.13 It is proposed that 90% discretionary rate relief is approved for the period from 4<sup>th</sup> January 2016 to 31<sup>st</sup> March 2022, to align with the relief provided to existing not-for-profit organisations.

**Widnes Unit 365 of the Sea Cadet Corps**

Widnes Sea Cadet Corps, Cliffe Street, Widnes, Cheshire, WA8 6RS

- 3.14 As a registered charity Widnes Sea Cadet Corps automatically receive 80% mandatory rate relief and the Council has granted them 15% discretionary top-up rate relief.
- 3.15 A discretionary rate relief application has been received for the remaining 5% of their rates liability.
- 3.16 The current cost to the Council of the mandatory and discretionary rate relief is as follows;
- |  |        |
|--|--------|
| Cost of 80% mandatory relief               | £2,997 |
| Cost of 15% discretionary top up relief    | £562   |
| Remaining 5% met by Widnes Sea Cadet Corps | £187   |
- 3.17 Since 2015, due to the financial challenges and constraints facing the Council, discretionary business rate relief of 15% has been awarded for Registered Charities and CASC organisations. The organisations themselves then have to meet the remaining 5% of their business rates liability.
- 3.18 It is proposed that the application for a further 5% discretionary rate relief is refused, on the basis that the Council's policy is to provide 15% discretionary relief along with the 80% mandatory relief.

#### **4.0 POLICY IMPLICATIONS**

4.1 The Board is required by the Regulations to consider each application on its own merit. Any recommendations provided are given for guidance only, are consistent with Council policy and, wherever possible, previous decisions.

#### **5.0 FINANCIAL IMPLICATIONS**

5.1 The Appendix presents the potential annual costs to the Council of granting rate relief and the cost in the current financial year.

#### **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

##### **6.1 Children and Young People in Halton**

Both Power in Partnership Ltd and Widnes Unit 365 of the Sea Cadet Corps support young people in Halton.

##### **6.2 Employment, Learning and Skills in Halton**

Power in Partnership Ltd provides learning and skills to NEET young people in Halton. Widnes Sea Cadet Corps provides skills to the cadets who are young people in Halton.

##### **6.3 A Healthy Halton**

None

##### **6.4 A Safer Halton**

None

##### **6.5 Halton's Urban Renewal**

None.

#### **7.0 RISK ANALYSIS**

7.1 There are no key risks associated with the proposed action.

#### **8.0 EQUALITY AND DIVERSITY ISSUES**

8.1 The applicants offer their services to all sections of the community, without any prejudice.

#### **9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

<b>9.1 Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
Application forms	Kingsway House, Caldwell Road, Widnes	Adel Tomkins Senior Rating Officer



**APPENDIX**

<b>Ratepayer</b>	<b>Address</b>	<b>Rates Liability 01/01/16- 31/03/19</b>	<b>Mandatory Rate Relief Awarded</b>	<b>Cost of Mandatory Rate Relief to HBC</b>	<b>Disc. Rate Relief Claimed</b>	<b>Cost of Disc. Rate Relief to HBC</b>	<b>Actual Rates Liability 04/01/16- 31/03/19</b>	<b>Actual Cost of Mandatory Relief to HBC from 04/01/16- 31/03/19</b>	<b>Actual Cost of Disc. Rate Relief to HBC from 04/01/16-31/03/19</b>
		<b>£</b>		<b>£</b>		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Power in Partnership Ltd	7, Queens Ave, Widnes, WA8 8HR	5,321	0%	0.00	90%	4,789	5,321	0.00	4,789