

South Lakeland District Council
Discretionary Rate Relief Sub-Committee

29th June 2016

Determination of Applications for Discretionary Rate Relief

PORTFOLIO:	Councillor Peter Thornton– Finance Portfolio Holder
REPORT FROM:	Shelagh McGregor - Assistant Director (Resources) and Section 151 Officer
REPORT AUTHOR:	Ross McLaughlin – Revenues Officer (BIDs and Reliefs)
WARDS:	Not Applicable
KEY DECISION:	Not Applicable

1.0 EXPECTED OUTCOME

- 1.1 Members will consider the applications listed at Appendix 2 to this report and determine whether Discretionary Rate Relief should be awarded in each case by reference to the policy guidelines for determining applications shown at Appendix 1 to this report.
- 1.2 Reasons should be provided for cases where relief is refused. Applicants will be formally notified of the decision along with their rights of appeal.

2.0 RECOMMENDATION

2.1 It is recommended that the Sub-Committee:-

- (1) Refuses Discretionary Rate Relief in respect of Rydal Hall Ltd as their application is not in line with the Council’s policy, in that the organisation does not sufficiently benefit residents of the district - considering the cost that awarding relief would place on the Council - and its main objects are not charitable; and**
- (2) Awards 20 per cent Discretionary Rate Relief to Leonard Cheshire Disability; Lunesdale Agricultural Society and South Lakes Citizens Advice Bureau as the benefits that these organisations bring to the residents of the district outweigh the cost of awarding relief.**

3.0 BACKGROUND AND PROPOSALS

- 3.1 Discretionary Rate Relief policies were agreed by Cabinet on 28th January 2014 (CEX/123). The relevant policy is attached to this report as Appendix 1.
- 3.2 The cases in this report fall under paragraph 3 of the policy. Such cases are to be considered by a panel of Cabinet Members who will balance the benefits

an organisation brings to the residents of the District generally against the cost of awarding relief to the Council Taxpayer, and, the cost to the Council.

- 3.3 Rydal Hall Ltd is a wholly owned subsidiary of the Carlisle Diocesan Board of Finance Ltd, which is a registered charity. Rydal Hall Ltd is not a registered charity.
- 3.4 Rydal Hall is a conference, retreat and holiday centre. It provides accommodation at commercial rates and is as such in direct competition with other hotels in the district which provide accommodation and conference facilities on a commercial basis.
- 3.5 Rydal Hall Ltd generates additional income from a camp site on its grounds; a bar and a tea shop. It also has a holiday cottage, let at commercial rates.
- 3.6 Part of the property (Bishop Bulley Barn) is capable of holding, amongst other things, wedding receptions and Rydal Hall states this fact on its website.
- 3.7 Rydal Hall Ltd states that its non-charitable work ensures that the hall as a whole is financially viable, though it appears from the information provided that the bulk of its objectives are non charitable (see Appendix 3).
- 3.7 The Memorandum and Articles of Association (Appendix) 3 lists the company's objects. The objects appear to be those of a primarily commercial organisation rather than a charitable one. There is no mention in the objects of any charitable activities. The information provided also states that Rydal Hall Ltd was set up 'as a non charitable company in order to insulate the charitable Board of Finance from the risks associated with trading'.
- 3.8 The cost of awarding relief to Rydal Hall Limited could be considerable as the organisation has rates payable of over £ 30,000 per year and does not receive Mandatory Relief. The Council would meet approximately 40 per cent of the cost of any award.
- 3.9 The applications from Leonard Cheshire Disability; Lunesdale Agricultural Society and South Lakes Citizens Advice Bureau are in line with the Council's policy, in that these organisations' main objects are charitable and each benefits the residents of the district sufficiently when compared to the cost of awarding relief.

4.0 CONSULTATION

- 4.1 A full public consultation exercise was undertaken prior to introduction of the new policies.

5.0 ALTERNATIVE OPTIONS

- 5.1 The alternative for Rydal Hall Ltd would be to approve the application; but this is not recommended for reasons already stated.
- 5.2 The alternative for Leonard Cheshire Disability; Lunesdale Agricultural Society and South Lakes Citizens Advice Bureau would be to refuse the applications; but this is not recommended since that would not be in accordance with the Council's policy.

6.0 LINKS TO COUNCIL PRIORITIES

6.1 The award of discretionary rate relief to charitable organisations and other non-profit making organisations is to help achieve our priorities and targets set out in the Council Plan.

7.0 IMPLICATIONS

7.1 Financial and Resources

7.1.1 South Lakeland District Council does not have a specific budget for Discretionary Rate Relief as it opted into the Cumbria Business Rates pool as part of the Business Rate Retention Scheme. The costs of awarding relief under this policy are, broadly speaking, split 50% Central Government, 40% South Lakeland DC and 10% Cumbria County Council and Fire Authority.

7.1.2 Business Rates payable by Leonard Cheshire Disability, after other reliefs, amount to £ 409.19 for 2015/16 and £ 412.51 for 2016/17.

7.1.3 Business Rates payable by Lunesdale Agricultural Society, after other reliefs, amount to £ 121.77 for 2016/17.

7.1.4 Business Rates payable by South Lakes Citizens Advice Bureau (three separate accounts), after other reliefs, amount to a total of £ 21.30 for 2015/16 and £ 253.48 for 2016/17.

7.1.5 If the applications were approved as recommended, Discretionary Rate Relief of £ 1218.25 would be awarded.

7.2 Human Resources

7.2.1 Not Applicable

7.3 Legal

7.3.1 Section 47 (2) (a) of the Local Government Finance Act 1988 gives the Council discretion to determine the chargeable amount where the ratepayer is a Charity or Trustees for a Charity. In effect this allows the Council to top up the 80% statutory relief to up to 100% relief in total.

7.3.2 Section 47 (2) (b) of the Local Government Finance Act 1988 gives the Council discretion to determine the chargeable amount where the property is occupied for the purposes of one or more institutions or other organisations none of which is established for profit and whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts.

7.4 Social, Economic and Environmental

Have you completed and Health, Social, Economic and Environmental Impact Assessment?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If you have not completed an Impact Assessment, please explain your reasons.	A sustainability impact assessment has not been carried out as these are individual applications. Any awards or refusals of applications are considered to have a neutral impact on sustainability.	

7.5 Equality and Diversity

Have you completed an Equality Impact Analysis?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If you have not completed an Impact Assessment, please explain your reasons.	An equality and diversity impact assessment has not been carried out. as the proposals in this report are based on a previously agreed Council policy for which an assessment was undertaken.	

7.6 Risk

Risk	Consequence	Controls required
A decision may be made which does not comply with legislation.	The auditor may qualify the final pool contribution and the Department for Communities and Local Government could adjust the final return with the costs of this award being met by the Council.	A set of policy guidelines, which have been prepared to comply with legislation.

CONTACT OFFICERS

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APPENDICES ATTACHED TO THIS REPORT

Appendix No.	
1	GUIDELINES FOR DETERMING APPLICATIONS FOR DISCRETIONARY RATE RELIEF FROM CHARITABLE AND OTHER NON-PROFIT MAKING ORGANISATIONS
2	LIST OF APPLICATIONS TO BE CONSIDERED WITH SUMMARY OF KEY POINTS IN EACH CASE
3	COPY OF APPLICATION AND ADDITIONAL DOCUMENTS REGARDING RYDAL HALL LTD
4	COPIES OF APPLICATION FOR LEONARD CHESHIRE DISABILITY AND LUNESDALE AGRICULTURAL SOCIETY.

BACKGROUND DOCUMENTS AVAILABLE

There are no background papers to this report.

TRACKING INFORMATION

Assistant Director	Portfolio Holder	Solicitor to the Council	SMT	Scrutiny Committee
10/06/16		13/06/16	n/a	n/a
Executive (Cabinet)	Committee	Council	Section 151 Officer	Monitoring Officer
n/a	n/a	n/a	10/06/16	13/06/16
Human Resource Services Manager	Leader	Ward Councillor(s)		
n/a	n/a	n/a		