

AGENDA ITEM No. 4

CABINET
10 JANUARY 2017

HEAD OF FINANCIAL SERVICES
REPORT NO. FIN1703

APPLICATIONS FOR DISCRETIONARY RATE RELIEF

SUMMARY AND RECOMMENDATIONS:

Cabinet are requested to:

- a) Consider whether to award any Discretionary Rate Relief to the applicants as set out in the report, and
- b) If so, for what period(s).

1. INTRODUCTION

1.1 The purpose of this report is to:

- Outline the background and financial implications of Discretionary Rate Relief
- Consider a new application for Discretionary Rate Relief
- Consider harmonising the treatment of the Borough's two main Football Clubs
- Examine the overall budget position for cost impact of Discretionary Rate relief applications for 2016/17

2. BACKGROUND

2.1 Mandatory Relief is available at 80% of the rates payable, and to qualify an organisation must:

- Occupy a property or rating hereditament which is used wholly or mainly for charitable purposes, and
- Be established for charitable purposes only, or
- Be accredited as a community amateur sports club.

2.2 A local authority had discretion to grant "top up" relief of up to the additional 20% to charities that have received the 80% mandatory relief.

2.3 In addition, an authority can grant relief of up to 100% to other ratepayers.

3. THE SOURCE YOUNG PEOPLE'S CHARITY

- 3.1 An application for 20% discretionary top-up relief has been received from:

The Source Young People's Charity
Suite 3 Wesley Chambers, Queens Road, Aldershot
Billing No. 92083924



The Source Young People's Charity is a charity that works to transform the lives of disadvantaged young people by providing them with relevant, challenging and beneficial training that aids their education and development, and equips them for future life choices.

Their aim is to go out to young people, wherever they are, and build relationships with them.

More information on The Source Young People's Charity can be found at www.thesourceforyou.co.uk/

As a registered charity, The Source are entitled to 80% Mandatory Relief. This application is for 20% Discretionary Top Up Relief.

The Source were previously operating out of Boulter's House, 237 High Street, Aldershot. However, in October 2015, The Source moved its operations to Wesley Chambers after Boulter's House became unsuitable for their needs due to changing operating model and significant maintenance and repair requirements for the building. The Source were in receipt of 20% Discretionary Rate Relief when operating out of 237 High Street, Aldershot.

The Source's Business Rates Liability is as follows:-

2015 = £769.87 (if relief awarded, financial effect on RBC = £307.95)
2016 = £1,764.35 (if relief awarded, financial effect on RBC = £705.74)

In their application, The Source advise of the following:-

What are the main objects of the charity?

To support disadvantaged young people through youth work, mentoring, counselling and anger management.

Outline ways the organisation is involved at local level:

Services provided at our premises and at local schools and colleges.

What purpose does the organisation use the premises and facilities?

To provide a drop-in for young people, counselling rooms, mentoring and training facilities.

What proportion of the membership is resident in the Rushmoor area?

All young people can access our services – fees are charged to referring organisations if appropriate – 98% of members are resident in the Borough.

Specific facilities for under-represented members of the community:

We actively encourage and engage hard to reach young people to access the service.

All services are accessible to all including people with mobility issues.

Training is provided for young people and teenage parents.

All our work is informally educational.

How would an award of relief to your organisation benefit the local community?

The Source costs about £160,000 to run, staff costs are about £130,000, we keep our additional costs pared to the bone because funding is hard to come by for non-direct / non-therapeutic costs such as premises costs.

Therefore, an award would benefit the community by allowing us to use more of the money given to us on the young people who need our services.

4. HARMONISATION OF TREATMENT OF THE BOROUGH'S MAIN FOOTBALL CLUBS

- 4.1 Both Aldershot and Farnborough Football Clubs have previously been awarded rates relief, with Aldershot being granted 50% discretionary relief and Farnborough being granted 50% Hardship relief. This meant that there was consistency of treatment between the Clubs, albeit under different types of award.
- 4.2 Hardship relief is awarded on an annual basis whereas discretionary relief can be awarded for a longer time period, often to the end of a ratings list. Farnborough Football Club's hardship relief expired at the end of March 2015. However, when the current 2010 Ratings list was extended to 7 years (from the normal 5) all discretionary reliefs were rolled forward to the end of the new list, meaning that Aldershot Football Club's relief was extended to the end of March 2017.
- 4.3 This means that there is a disparity in treatment between the two clubs. Awarding 50% Discretionary relief to Boro FC Ltd to the end of March 2017, would provide consistency to the end of the current ratings list, which would be a suitable window of opportunity to consider any future support to both major football Clubs as part of a wider review.
- 4.4 The background to an application for 50% discretionary relief is set out below:

Boro FC Ltd
Farnborough Football Club
Cherrywood Road
Farnborough

Billing Number: 92070232

Nature of Business: Community Football Club
Number of employees: nil full-time

Business Rates	2015/16	£13,064.50
	2016/17	£13,170.50

Boro FC has been in operation since August 2013, using the premises of the former Farnborough Football Club. The business operates as Farnborough Football Club in the Evo-Stik League Southern Division One Central.



The Club commenced trading on 28 August 2013, following the entering of administration of the previous club. The Club operated under a Company Voluntary Administration (CVA) from its reformation, from which it has now been able to exit. The current Club is continuing to repay the Council quarterly payments of rent arrears that the previous Club had accrued. This had been a prerequisite for the Council considering a support package for the new Club.

The club have previously been awarded 50% hardship relief from when they traded on 28 August 2013. This entitlement ended on 31 March 2015.

If 50% Discretionary Rate Relief is awarded for the year 2015–16, the effect on RBC would be £2,612.90.

If 50% Discretionary Rate Relief is awarded for the year 2016-17, the effect on RBC would be £2,634.10.

In their application, Boro FC advises the following:-

Please give reason for your application:

We are asking to extend the current relief. The club was relegated so further financial issue.

Club runs community projects such as fireworks, bingo, carols on the pitch.

In their previous application, Boro FC advised of the following:

The reasons the club believe that they benefit local taxpayers and the grounds for their application is as follows:-

“The business loses money and is only amateur due to new owners. As a regulated stadium, it costs circa £1,000 to operate a single game. The previous owners put over £1.5m into the property which we are now paying for. This has massively increased the value of the Council’s freehold. As a Club in the football

conference, we are a key part of the community.

We operate a number of events for the community, which are summarised as follows: • Carols on the Pitch • Fireworks • Faith in Football • Weekly Bingo • An education academy with 40 teenagers • Weekly Darts”

4. FINANCIAL IMPLICATIONS

- 4.1 Since 1st April 2013, the Business Rates Retention Scheme has introduced a fundamentally new set of arrangements for dealing with the cost of rates. The cost to the council of granting any relief is most reliably estimated at being 40% of the value of relief granted. Although the total cost is ultimately determined by a range of factors, such as the Council's total rate receipts measured against its estimated threshold for growth and taking into account whether any payment levies or safety net contributions are payable or receivable.
- 4.2 Appendix 1 shows those charitable organisations that qualify for 80% mandatory relief and which have been granted the additional 20% “top up” discretionary relief. The organisations are grouped together under generic headings, and the period of grant.
- 4.3 Appendix 1 also sets out summary details of the non-charitable organisations that are currently in receipt of relief. The appendix includes the value and costs of relief and period of grant.
- 4.5 If 50% relief is awarded to Boro FC (Farnborough Football Club) and 20% “Top Relief” is awarded to The Source Young People's Charity then the financial effect on the council would be £6,568.64.

5. RISKS

- 5.1 The financial impact on the Council is relatively low if Discretionary Relief is awarded (£6,658) and the risk of inconsistent treatment between two organisations of a similar nature, with no sound principles supporting that difference, is removed.

BACKGROUND DOCUMENTS:

1. Local Government Finance Act 1988, Section 47.
2. Non-Domestic Rating (Discretionary Relief) Regulations 1989 (SI 989 1059).
3. Dept of the Environment Practice Note – Non-Domestic Rates, discretionary rate relief, issued 1989.
4. Full application case file in respect of the applicants.

CONTACT DETAILS:

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Billing No	Name	Address	Yearly Rates	MR %	MR Value	DR%	DR Value	Cost of Award	Expiry Date
Scouts /Guides									
9000743	6th Farnb'oro Scouts	123 Cheyne Way	1,292.20	80	1,033.76	20	258.44	103.38	31/03/2017
9000745	2nd Aldershot Scout	Church Hill	2,460.15	80	1,968.12	20	492.03	196.81	31/03/2017
9001013	1st Aldershot Scouts	Eastern Road	2,087.40	80	1,669.92	20	417.48	166.99	31/03/2017
9001549	1st Cove Scouts	11 Fleet Road	2,485.00	80	1,988.00	20	497.00	198.80	31/03/2017
9001905	5th Farnb'oro Scouts	9 High Street	1,863.75	80	1,491.00	20	372.75	149.10	31/03/2017
9002718	14th Aldershot Scout	72 North Lane	1,689.80	80	1,351.84	20	337.96	135.18	31/03/2017
9004421	4th Aldershot Scouts	Western Road	1,590.40	80	1,272.32	20	318.08	127.23	31/03/2017
9110756	3rd Farnborough Scouts	Sand Hill	3,081.40	80	2,465.12	20	616.28	246.51	31/03/2017
9002994	8th Farnborough Air Scout	Rectory Road Scout Hut, Prio	1,242.50	80	994.00	20	248.50	99.40	31/03/2017
9003179	2nd Farnborough Scout Group	Scout Hut, Curly Bridge Close	1,317.05	80	1,053.64	20	263.41	105.36	31/03/2017
			19,109.65		15,287.72		3,821.93	1,528.77	
Charity Shops									
9110401	Phyllis Tuckwell Hospice	9 Union Street	6,958.00	80	5,566.40	20	1,391.60	556.64	31/03/2017
9201455	Parity for the Disabled	69 Camp Road	4,671.80	80	3,737.44	20	934.36	373.74	31/03/2017
9207795	Phyllis Tuckwell Hospice	52 Kingsmead	3,826.90	80	3,061.52	20	765.38	306.15	31/03/2017
9202688	British Heart Foundation	107 Victoria Road, Aldershot	36,281.00	80	29,024.80	20	7,256.20	2,902.48	31/03/2017
9204789	British Heart Foundation	30 Union Street, Aldershot	11,555.25	80	9,244.20	20	2,311.05	924.42	31/03/2017
9200446	British Heart Foundation	96B Queensmead, Farnborou	10,809.75	80	8,647.80	20	2,161.95	864.78	31/03/2017
			74,102.70		59,282.16		14,820.54	5,928.22	
Local Charities									
9000006	Community Pre-School	67 Albert Road	3,329.90	80	2,663.92	20	665.98	266.39	31/03/2017
9000007	Farnb'oro Cove War Mem	Albert Road	7,827.75	80	6,262.20	20	1,565.55	626.22	31/03/2017
9000981	Rowhill Nature Reserve	95 Cranmore Lane	658.53	80	526.82	20	131.71	52.68	31/03/2017
9206468	* Farnb'oro Comm Centre	Pinehurst Avenue	13,667.50	80	10,934.00	20	2,733.50	1,093.40	31/03/2017
9206467	Rushmoor Voluntary Servs	Pinehurst Avenue	6,336.75	80	5,069.40	20	1,267.35	506.94	31/03/2017
9205534	Sasra	Havelock House, Barrack Ro:	1,180.38	80	944.30	20	236.08	94.43	31/03/2017
9207635	B V Scope Parity for Disabled	92 - 94 Whetstone Road, Farn	1,317.05	80	1,053.64	20	263.41	105.36	31/03/2017
9110359	Rushmoor Gym Club	Pool Road	5,715.50	80	4,572.40	20	1,143.10	457.24	31/03/2017
9111133	Farnb'g Christian Outreach	64 Kingsmead	3,329.80	80	2,663.92	20	665.98	266.39	31/03/2017
9201815	The Source	237 High Street	-	80	-	20	-	-	31/03/2017
9205672	Step By Step	36 Crimea Road, Aldershot	34,790.00	80	27,832.00	20	6,958.00	2,783.20	31/03/2017
9207076	Step By Step Partnership Limited	Ground Floor, 157 High Stree	1,714.65	80	1,371.72	20	342.93	137.17	31/03/2017
9208665	Parkside (Fab Café)	Farnborough Library, Pinehur	4,622.10	80	3,697.68	20	924.42	369.77	31/03/2017
9206535	Relate	35/39 High Street	3,081.40	80	2,465.12	20	616.28	246.51	31/03/2017
9205023	Rushmoor Healthy Living	Suite 17 Second Floor The M	2,087.40	80	1,669.92	20	417.48	166.99	31/03/2017
9111721	Farnborough Air Services Trust	Farnborough Air Sciences Tru	20,625.50	80	16,500.40	20	4,125.10	1,650.04	31/03/2017
9207166	The Clear Stone Trust	119 Lynchford Road, Farnbor	4,552.70	80	3,618.16	20	904.54	361.82	31/03/2017
9206536	The Gurkha Welfare Trust	First Floor East, 35-39 High S	2,733.50	80	2,186.80	20	546.70	218.68	31/03/2017
9206386	The Vine Drop In Centre	The Institute, 33 Station Roac	3,628.10	80	2,902.48	20	725.62	290.25	31/03/2017
			121,198.51		96,934.88		24,233.73	9,693.49	

Large Charitable Organisations with specific local focus

9204865	Breakthrough Trust	Part Second Floor, 35-39 High	770.35	80	616.28	20	154.07	61.63	31/03/2017
9001328	Samaritans	182A Farnborough Road	5,467.00	80	4,373.60	20	1,093.40	437.36	31/03/2017
9002985	Farnborough CAB	Pinehurst Avenue	9,194.50	80	7,355.60	20	1,838.90	735.56	31/03/2017
9204526	Aldershot CAB	Aldershot Visitor Centre	6,833.75	80	5,467.00	20	1,366.75	546.70	31/03/2017
9204863	Aldershot CAB	Second Floor, 35-39 High Str	3,578.40	80	2,862.72	20	715.68	286.27	31/03/2017
9005676	St John Ambulance	2A Windsor Way	2,932.30	80	2,345.84	20	586.46	234.58	31/03/2017
9203425	St John Ambulance	Activity Centre, 99 Hawley La	5,591.25	80	4,437.00	20	1,118.25	447.30	31/03/2017
9007258	ATC Hut	259 North Lane Aldershot	1,466.15	80	1,172.92	20	293.23	117.29	31/03/2017
9007274	First Wessex	232 North Lane	4,671.80	80	3,737.44	20	934.36	373.74	31/03/2017
9111224	First Wessex	14 Totland Close	8,200.50	80	6,560.40	20	1,640.10	656.04	31/03/2017
9200375	Positive Action	Unit 6&8 4 Hillside Road	4,373.60	80	3,498.88	20	874.72	349.89	31/03/2017
9201223	RSPCA	47/49 Camp Road	6,833.75	80	5,467.00	20	1,366.75	546.70	31/03/2017
9203788	Royal Aeronautical Society	The Hub Fowler Avenue	6,833.75	80	5,467.00	20	1,366.75	546.70	31/03/2017
9207735	Tamba-Twins	Second Floor, Manor House,	6,337.75	80	5,028.60	20	1,267.35	506.94	31/03/2017
9202889	Royal Aeronautical Society	The Hub Fowler Avenue	19,134.50	80	15,307.60	20	3,826.90	1,530.76	31/03/2017
9206988	Affinity Trust	6 Alexandra Terrace, Alexanc	-	80		20		-	31/03/2016
9207937	Batten Disease Family Assoc	Office 1, The Old Library, Bou	-	80		20		-	31/03/2016
9208267	Batten Disease Family Assoc	Office 3, The Old Library, Bou	-	80		20	0	0	31/03/2016
9202477	Active Nation Uk Limited	Alpine Ski Centre, Galwey Ro	21,544.95	80	17,235.96	20	4,308.99	1,723.60	31/03/2017

113,764.30**90,933.84****22,752.66****9,101.06****Community Amateur Sports Clubs**

9001491	Cove Bowling Club	53 Horn Road	3,379.60	80	2,703.68	20	675.92	270.37	31/03/2017
9001837	A'shot Cricket Club	Guildford Road	5,467.00	80	4,733.60	20	1,093.40	437.36	31/03/2017
9000246	Cove Cricket Club	Ambleside Close	2,360.75	80	1,888.60	20	472.15	188.86	31/03/2017
9207269	Farnborough Gate Bowling Club	Ringwood Road	2,932.30	80	2,345.84	20	586.46	234.58	31/03/2017
9205885	Aldershot & Fleet RFC	Guildford Road, Aldershot	5,591.25	80	4,473.00	20	1,118.25	447.30	31/03/2017

19,730.90**16,144.72****3,946.18****1,578.47****Sports & Non-Profit Organisations**

9001252	A'shot Underwood Bowling	Eggars Hill	-	0		0		-	31/03/2017
9001253	A'shot Methodist Tennis	Eggars Hill	-	0		0		-	31/03/2017
9001895	Aldershot Dolphins Club	103 Hawley Lane	-	0		0		-	31/03/2017
9003223	Cove Football Club	7 Squirell Lane	49.21	0		100	49.21	19.68	31/03/2017
9003521	Farnb'oro RFC	Tile Barn Close	6,050.00	0		100	6,050.00	2,420.00	31/03/2017
9003522	Farnb'oro Lawn Tennis Cl	Tile Barn Close	2,178.00	0		100	2,178.00	871.20	31/03/2017
9004371	Blackwater Valley Ent	11 Wellington St	5,808.00	0		50	2,904.00	1,161.60	31/03/2017
9004435	A'shot Traction Ath Clb	Weybourne Rd	5,203.00	0		100	5,203.00	2,081.20	31/03/2017
9201332	British Gurkha Welfare Society	119 Wren Way	15,904.00	0		50	7,952.00	3,180.80	31/03/2017
9203884	Southwood Management	Kennels Lane, F/B	500.91	0		100	500.91	200.36	31/03/2017
9203837	Rushmoor Community FC	Grasmere Road	6,534.00	0		100	6,534.00	2,613.60	31/03/2017
9206753	Places for People Leisure Ltd	Farnborough Leisure Centre	176,435.00	0		100	176,435.00	70,574.00	31/03/2017
9206754	Places for People Leisure Ltd	Aldershot Pools	87,969.00	0		100	87,969.00	35,187.60	31/03/2017
9003102	Aldershot District West Indian As	Queens Road Recreation Grc	919.60	0		100	919.60	367.84	31/03/2017
9207025	Love Of The Game Ltd T/A Alder	Recreation Ground, High Stre	20,625.50	0		50	10,312.75	4,125.10	31/03/2017
9207551	Rushmoor Schools Plus Cic	15 The Galleries, High Street	1,987.49	0		100	1,987.49	795.00	31/03/2017

330,163.71**308,994.96****123,597.98**

Cost of Discretionary Relief

Total Yearly Rates	678,069.77
Total Mandatory Relief	278,583.32
Total 20% Top Up Relief	65,628.86
Total 20% CASC Top Up	3,946.18
Sports and Non-Profit	308,994.96

Total Discretionary Award: 378,570.00

New Applications Discretionary Relief

Billing No	Name	Address	Yearly Rate	MR %	MR Value	DR%	DR Value	Cost of Award
9207023	Boro FC	The Aimita Stadium, Cherryw	13,064.50	0 -		50	6,532.25	2,612.90 2015
9207023	Boro FC	The Aimita Stadium, Cherryw	13,170.50	0 -		50	6,585.25	2,634.10 2016
9208392	The Source	Suite 3 Wesley Chambers, Al	3,849.37	80	3,079.50	20	769.87	307.95 2015
9208392	The Source	Suite 3 Wesley Chambers, Al	8,821.75	80	7,057.40	20	1,764.35	705.74 2016
							15,651.72	6,260.69