



Leicester
City Council

**WARDS AFFECTED
ALL WARDS (Corporate Issue)**

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS

CABINET

7th NOVEMBER 2002

DISCRETIONARY RATE RELIEF CRITERIA

Report of the Chief Financial Officer

1 Purpose of report

- 1.1 To recommend an update of the current discretionary rate relief policy. The update does not represent a fundamental change in the criteria for awarding relief but it does remove possible ambiguities that the existing criteria could create.

2 Summary

- 2.1 Finance Sub Committee approved the current policy in October 1997 following a policy review, and now is an appropriate time for further update.
- 2.2 Following the decision by Cabinet on 20th November 2000 to delegate the approval of granting relief, within an agreed framework, to the Chief Financial Officer, the current policy has been reviewed to ensure it meets the Council's current objectives and priorities.
- 2.3 The revised criteria make comparison between the organizations' purpose, aims and objectives, and the priorities defined in the Community Plan. The key difference between the new and old policy is that no distinction would be made between organisations receiving council funding and other organisations.
- 2.4 Applying the revised criteria will increase the Council's contribution to the total cost of funding discretionary rate relief. In 2001/2, 49 applications were received, of which 16 organizations would have benefited from increased relief. Beneficial organisations provide support, training, advice, information and opportunities to minority groups and interests, and assist specific community projects.
- 2.5 It should be noted that any framework policy for granting relief is simply a set of guiding principles to which the Chief Financial Officer has to give consideration. By law each application has to be considered individually and a set of rules cannot be applied mechanistically.

- 2.6 Key features of the proposed policy are:
- a) Registered Charities, who receive 80% mandatory relief, could receive up to a maximum 20% discretionary relief.
 - b) Community organisations should be assessed in terms of the benefits to people in Leicester and those living within its vicinity; to include reference to whether they support, enhance or aim towards the Community Plan and Cultural Strategies priorities. 100% discretionary relief is recommended to those who fulfil these criteria.
 - c) Community organisations, which fall outside the revised criteria, but who also serve the citizens of Leicester within guidelines laid down by law will receive 50% relief.

3 Recommendations

- 3.1 The Cabinet is asked to approve the new policy provided in the supporting information.

4 Financial and other implications

- 4.1 The funding of relief is as detailed below:

	Mandatory Relief	Discretionary Relief		Total
Charities	80%	5%	15%	100%
Non-Charities	0%	75%	25%	100%
	Government Funded		Council Tax Funded	

- 4.2 Total value of the rate relief awarded by the City Council is £4.125 million.
- 4.3 This is funded between Leicester City Council and the Government as follows:

	Total £ 000	Government £ 000	City Council £ 000
Mandatory	3,880	3,880	0
Top up to mandatory	118	29	89
Discretionary	127	95	32
TOTAL	4,125	4,004	121

- 4.4 If the new policy had been in place in 2001/2, it would have cost £6,000 more in Leicester City Council's contribution. Current comparisons with other similar councils indicate that Leicester grants more discretionary relief. However, as the Government funds a large percentage of the relief, this could be seen as good value for money.
- 4.5 Legal implications: Legal advice has been obtained. The suggested scheme is compliant with Section 47 Local Government Finance Act 1988.
- 4.6 Equal Opportunities: The revised criteria are based on priorities defined in the Community Plan that support and promote equal opportunities.

- 4.7 Sustainable Environment: The revised criteria are based on priorities defined in the Community Plan that supports and promotes a sustainable environment.
- 4.8 Crime and Disorder: The revised criteria are based on priorities defined in the Community Plan that supports and promotes community safety.
- 4.9 Human Rights: No specific issues.
- 4.10 Elderly and People on Low Incomes: The revised criteria are based on priorities defined in the Community Plan that could support and promote facilities for the elderly and people on low incomes.

5.0 Background Papers – Local Government Act 1972

Report to Finance Sub Committee October 1997 and Local Government Finance Act 1988.

6.0 Consultation

All Departments have been consulted through the Directors Board.

7.0 Report Author/Officer to contact.

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DECISION STATUS

Key Decision	No
Reason	N/A
Appeared in Forward Plan	No
Executive or Council Decision	Executive (Cabinet)