

Corporate Policy and Strategy Committee

10am, Tuesday, 22 January 2013

Non-Domestic Rates – Discretionary Rating Relief

Item number	7.3
Report number	
Wards	All

Links

Coalition pledges	
Council outcomes	CO25; CO26
Single Outcome Agreement	SO1

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Executive summary

Non-Domestic Rates – Discretionary Rating Relief

Summary

All awards of Discretionary Rating Relief (DRR) under the Council's existing policy end on 31 March 2013. The purpose of this report is to review the Council's policy in relation to DRR and approve a policy effective from 1 April 2013.

Recommendations

The Committee is requested to review the existing DRR policy and

- i. Agree a revised policy to apply from 1 April 2013, amended as stated at 2.3.3;
- ii. That new applications from Citizens Advice Edinburgh and the ICE store be granted relief for 2012/13 and an additional five year period commencing 1 April 2013; and
- iii. That organisations which have been granted relief outwith the scope of the existing policy as detailed in Appendix 1 are granted relief for a further period of five years from 1 April 2013.

Measures of success

That, as stated at 2.2.1 no operational problems have been experienced with the existing policy and the arrangements for considering applications which are outwith the standard policy have worked well i.e. the Council is able to consider the circumstances of each case.

Financial impact

The cost of awarding DRR is split, 75% is borne by the Rating Pool and 25% by the Council and its Council Tax payers. The cost to the Council currently amounts to £126,728.26 per annum as detailed in Appendix 1.

The cost to the Council of the proposed policy change at 2.3.3 cannot be estimated. A number of the organisations listed at Appendix 1 are social enterprises and it cannot be estimated how many more will apply in the future.

The cost to the Council of granting relief to the organisations detailed in 2.4 can be summarised as follows:-

Organisation	Cost to the Council of Granting Relief	
	2012/13	Ongoing
Citizens Advice Edinburgh	2,285	2,285
ICE Store	1,742	3,195
TOTAL	£4,027	£5,480

Equalities impact

No full ERIA is required.

Sustainability impact

There is no sustainability impact from this report.

Consultation and engagement

Customer Survey 2012 - A customer survey of recent users of the Non-Domestic Rates service was undertaken in 2012. Results of this survey have been analysed and presented to the relevant management meeting and an improvement plan has been agreed.

Background reading / external references

Appendix 1 - Organisations currently receiving DRR on an individual basis outwith the scope of the Council policy.

Non-Domestic Rates – Discretionary Rating Relief

1. Background

- 1.1 The power to grant DRR is governed by the provisions of the Local Government (Financial Provisions etc) (Scotland) Act 1962.
- 1.2 Under the terms of the 1962 Act a rating authority may grant DRR in respect of:-
- a) any lands and heritages which are occupied by, or by trustees for, a charity and are wholly or mainly used for charitable purpose (whether of that charity or of that and other charities);
 - b) any lands and heritages occupied for the purposes of one or more institutions or other organisations (whether corporate or unincorporated) which are not established or conducted 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;
 - c) any lands and heritages occupied for the purpose of a club, society or other organisation not established or conducted for profit, and which are wholly or mainly used for the purposes of recreation.

2. Main report

- 2.1 The Council's current policy is as follows:-
- 2.1.1 An additional 20% DRR is granted to organisations already in respect of mandatory relief where they:-
- are mainly concerned with working with youths (defined as under 19 years of age);
 - provide community facilities i.e. village halls and community centres.
- Mandatory relief is granted to charities where they occupy premises and use them wholly or mainly for charitable purposes.

- 2.1.2 50% DRR is granted to recreation clubs which do not have a licence to sell alcohol.
- 2.1.3 100% DRR is granted to all clubs who meet the definition of “Sports Clubs” as set out by the Scottish Sports Association and who operate an equal opportunities policy.
- This relief is granted subject to full compensation for such relief being contained within the Rating Pool arrangements.
- 2.1.4 80% DRR is granted in respect of properties used for recreational purposes and occupied by clubs / societies which are charitable bodies and not established / conducted for profit.
- 2.1.5 An additional 20% DRR is granted to organisations already in receipt of mandatory relief where they:
- provide and maintain grounds and buildings used for the purposes of leisure time occupation where facilities are available to members of the public at large.
- 2.1.6 To support organisations which acted, primarily, to provide benefit to Edinburgh residents and taxpayers.
- 2.1.7 During the five year period of the current DRR policy a number of applications have been granted on an individual basis to organisations outwith the standard policy. The applicants are listed at Appendix 1 and approval has been granted on the basis that the organisations concerned provide benefit to Edinburgh residents and taxpayers.

2.2 Review of current policy

- 2.2.1 No operational problems have been experienced with the existing policy and the arrangements for considering individual applications which are outwith the standard policy have worked well. Ratepayers continue to have the right of appeal to the DRR Appeals Committee where they are not satisfied with the outcome of their application for rating relief.

2.3 DRR Policy from 1 April 2013

- 2.3.1 Legislation permits relief to be granted for:-
- a) the year in which, or the year next following that in which, the determination is made or;
 - b) for a specified term of years not exceeding five or;
 - c) for an indefinite period subject to termination by not less than twelve months notice.

The Council has in the past granted relief for a period not exceeding five years.

2.3.2 Given that no operational / strategic / policy issues have been encountered with the current DRR policy it would seem appropriate to consider continuing with the current policy (with proposed wording changes as stated in 2.3.3 below) and awarding recipients of DRR including those detailed in Appendix 1 relief for a further five years from 1 April 2013.

2.3.3 The following change to the current policy is proposed:-

a) at 2.1.1 insert “ and social enterprise schemes” after community centres.

2.4 New Applications

2.4.1 Applications have been received from the following organisations:-

Citizens Advice Edinburgh

Branch: Dundas Street – 59 Dundas Street

Leith – 12 Bernard Street

Gorgie – 137 Dundee Street

Portobello – 8a & b Bath Street

Pilton – 661 Ferry Road

Citizens Advice Edinburgh is an independent charity and runs 5 advice centres and 15 outreach points in Edinburgh. Trained volunteers provide advice on issues including money advice, benefits, immigration, employment rights, housing, consumer issues, family problems and health services.

As a charitable organisation they currently receive 80% Mandatory Rates Relief and the cost to the Council of granting DRR on the remaining 20% rates liability would be £2,285 per annum.

ICE Store

Units 98 & 99, 31-33 St James Centre

The ICE Store is a social enterprise which helps young people find employment and supports independent artists, the vast majority from Edinburgh, by offering a vehicle to sell their work to the public.

Relief has been requested from 20 August 2012 (the date the ICE store opened). As the store is not a charitable organisation they do not receive Mandatory Relief. The cost to the Council of granting DRR at 80% would be £3,195 per annum.

3. Recommendations

- 3.1 The Committee is requested to review the existing DRR policy and:
- 3.1.1 agree a revised policy to apply from 1 April 2013 amended as stated at 2.3.3;
 - 3.1.2 that new applications from Citizens Advice Edinburgh and the ICE store be granted relief for 2012/13 and an additional five year period commencing 1 April 2013; and
 - 3.1.3 that organisations which have been granted relief outwith the scope of the existing policy as detailed in Appendix 1 be granted relief for a further period of five years from 1 April 2013.

Alastair D Maclean

Director of Corporate Governance

Links

Coalition pledges

Council outcomes

CO25 - The Council has efficient and effective services that deliver on objectives.

CO26 - The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives.

Single Outcome Agreement

SO1 - Edinburgh's Economy Delivers increased investment, jobs and opportunities for all.

Appendices

Appendix 1 - Organisations granted relief outwith the scope of the existing policy.

Appendix 1

Organisation	Property Address	Council Contribution for 12/13
The Albion Trust	57 Albion Road, Edinburgh	£5,570.42
Edinburgh City Mission	1/4 West Pilton Park, Edinburgh	£37.13
Artlinks	13A Spittal Street, Edinburgh	£200.25
Artists Collective Gallery	22-28 Cockburn Street, Edinburgh	£697.50
Edinburgh Sculpture Workshop	25 Hawthornvale, Edinburgh	£562.50
Festival City Theatre Trust	13-29 Nicolson Street, Edinburgh	£4,763.20
	(22) Potterrow, Edinburgh	£391.50
	2 Leven Street, Edinburgh	£4,763.20
The Filmhouse Ltd	88 Lothian Road, Edinburgh	£2,880.82
Printmakers Workshop Ltd	23 Union Street, Edinburgh	£400.50
Queens Hall (Edinburgh) Ltd	85-89 Clerk Street, Edinburgh	£1,939.63
	2 South Clerk Street, Edinburgh	£254.25
Stills Ltd	23 Cockburn Street, Edinburgh	£817.53
Traverse Theatre (Scotland) Ltd	10 Cambridge Street, Edinburgh	£2,061.00
Edinburgh International Festival Society	The Hub, 348 Castlehill, Edinburgh	£4,270.85
	Unit 9D, 11 Elizafield, Edinburgh	£1,055.69
	2/5 Abbey Lane, Edinburgh	£267.75
Royal Lyceum Theatre Co Ltd	30B Grindlay Street, Edinburgh	£1,541.17
	29 Roseburn Street, Edinburgh	£1,383.16
	15(01)-17 Grindlay Street, Edinburgh	£3,242.64
Lothian Community Transport Services Ltd	200 Sir Harry Lauder Road, Portobello, Edinburgh	£806.08
Margaret Blackwood Housing Association	GF10 Craiievar House, 77 Craigmount Brae, Edinburgh	£1,880.09
Dance Base Ltd	14 Grassmarket, Edinburgh	£3,761.33
Caledonia Youth	5-5A Castle Terrace, Edinburgh	£742.50
Dynamic Earth Charitable Trust	110 Holyrood Road, Edinburgh	£6,870.00
The Fruitmarket Gallery	45 Market Street, Edinburgh	£1,488.50
Out of the Blue	1 Portobello High Street, Edinburgh	£96.75
Keymoves Support for Homeless Women in Edinburgh	2(1-8D) Cranston Street, Edinburgh	£1,023.63
Edinburgh International Science Festival	Mitchell House, 5/1 Mitchell Street, Edinburgh	£335.25
Royal Zoological Society of Scotland	Edinburgh Zoo, 134 Corstorphine Road, Edinburgh	£11,679.00

Scottish Book Trust	13/5 High Street, Edinburgh	£1,227.44
Ace It Scotland	Suite 3 - First Floor, 113(1F1) George Street,	£391.50
Bongo Club Ltd	(37A) Holyrood Road, Edinburgh	£3,645.68
Workshops & Artists Studio Provisions (Scotland) Ltd	2-3 West Park Place, Edinburgh	£1,515.98
	78/7A Albion Road, Edinburgh	£686.25
	1D Patriothall, Edinburgh	£2,106.80
The Melting Pot Ltd	5-15(4F) Rose Street, Edinburgh	£4,387.64
Care & Repair Ltd	4(2f2) Queen Street, Edinburgh	£623.25
Edinburgh Community Food Initiative	22 Tennant Street, Edinburgh	£319.50
Royal National Lifeboat Institution	(D) Hawes Pier, South Queensferry	£123.75
The French Institute	13 Randolph Crescent	£6,237.96
Epilepsy Scotland	30(GF40) Queensferry Road, Edinburgh	£751.50
Ethnic Minorities Law Centre	103 Morrison Street, Edinburgh	£184.50
Scottish Arts Club	24 Rutland Square, Edinburgh	£1,377.00
Water of Leith Conservative Trust	24 Lanark Road, Edinburgh	£560.25
Dovecot Studios	Gallery - First Floor office, 10/1 Infirmary Street,	£3,233.48
	Dovecot Studios, 10 Infirmary Street, Edinburgh	£12,915.60
Children with Cancer & Leukemia Advice & Support	7 North Leith Sands, Edinburgh	£207.00
The Birth Resource Centre	10 Lower Gilmore Place, Edinburgh	£254.25
Arts Complex	151 London Road, Edinburgh	£18,549.00
Edinburgh Clothing Stores	156(gf) Lower Granton Road, Edinburgh	£279.00
The Castle Project	2 Craigmillar Castle Road, Edinburgh	£204.75
Rathbone	Princes House, 5(3f8) Shandwick place, Edinburgh	£353.25
Kindred Advocacy	7 Rutland Court Lane, Edinburgh	£288.00
Foster Care Associates (Scotland)	3(2F2) John's Place, Edinburgh	£436.50

Total

£126,728.26