

NATIONAL NON-DOMESTIC RATING – DISCRETIONARY RATE RELIEF – SECTIONS 47/48 LOCAL GOVERNMENT FINANCE ACT 1988

1 SUMMARY

- 1.1 This report contains the recommendations of the Head of Revenue and Housing Management following the annual review of all Discretionary Rate Relief cases. (Minute 480/96 refers) (See **Appendix 'A'**).
- 1.2 In addition and following the result of previous reviews where relief was withdrawn, Members are requested to reconsider the appeals from the following three clubs:-
- Westcliff Rugby Football Club – 50% Relief withdrawn from 1/4/99
 - Rochford Hundred Rugby Football Club – 50% Relief withdrawn from 1/4/99
 - Rayleigh Lawn Tennis Club – 50% Relief withdrawn from 1/4/00
- 1.3 Members are also reminded that Full Council on 25 July 2000 (Minute 257/2000) resolved that the Council's Discretionary Rate Relief Policy be reviewed by the Corporate Resources Sub-Committee. This review was carried out on 3 October 2000 (Minute 366/2000) and the recommendations contained will be used when considering future applications.

2 ANNUAL DISCRETIONARY RATE RELIEF REVIEW (Minute 480/96)

- 2.1 This review has again been undertaken and all the clubs and organisations concerned were requested to certify that the circumstances which existed previously remained unchanged. The areas scrutinised being the percentage of membership resident in the Rochford District area and the level of surplus funds derived from activities. In all cases, audited accounts have been provided.
- 2.2 In accordance with legal requirements all the clubs and organisations reviewed have been notified that following this review their Discretionary Rate Relief may be varied from 1 April 2001.
- 2.3 Members are informed that apart from the requirement, *that all clubs and organisations should show how they support the Council's Corporate Strategies*, all the other recommendations of the Corporate Resources Sub-Committee review have been undertaken in this review. This requirement will therefore be included and considered when reviewing discretionary cases next year.

- 2.4 The cases which have now been reviewed include, bowls, rugby, tennis, yacht and other miscellaneous clubs, plus organisations associated with:-

- the promotion of scouting guides or youth activities
- the provision of welfare in the Community
- the provision of village or community halls

Of all the cases reviewed, ten are recommended for revision as set out in **Appendix 'A'** with total savings of £2667.

3 APPEAL OF WESTCLIFF RUGBY FOOTBALL CLUB, THE GABLES, AVIATION WAY, SOUTHEND-ON-SEA

- 3.1 As a result of an annual review of all Discretionary Rate Relief cases by the Committee on 21 July 1998 (Minute 349/98) the decision was taken to withdraw, with effect from 1 April 1999, the 50% Rate Relief granted to the club. The relief was withdrawn because it was found the club had only 25% membership living within the Rochford District area. Its accounts also found substantial capital assets as they owned the freehold of their clubhouse.

- 3.2 Following an appeal from the club, against the decision to withdraw relief, the Committee received a further detailed report from the Head of Service on 13 July 2000 (Minute 238/2000) and decided to reaffirm its previous decision not to grant any further Rate Relief to the club.

- 3.3 The Head of Service has received once again an appeal from the club which is reported, for consideration:-

The grounds of the club's appeal being that whilst appreciating that only 25% of its membership reside within the Rochford District area, this is because the ground and clubroom are situated on the Southend side of the District. The club believes that with 300 boys and girls playing at the club every week it meets in part the Council's philosophy to promote youth sport, although no communications have yet been made with the Council's Sports Development Officer.

- 3.4 A communication has also been received from the Southend-on-Sea Borough Council, who owns the land the club house is situated on, in support of the Club's appeal explaining that the club is currently "struggling to make ends meet" but is determined to continue to contribute to the playing and development of rugby.

The Borough Council emphasises that Southend provides a wide range of cultural and sporting facilities themselves many of which are used by neighbouring authorities.

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- 3.5 Following the review of the Discretionary Relief Policy, and the detailed report submitted to the Committee on 13 July 2000, as only 25% of the club members live within the Rochford District the Head of Service would recommend granting 12.5% rate relief to the club from 1 April 2001 in line with revised Council Policy.

- 3.6 The current year's Rate Charge for the Rugby Club amounts to £4696 and based on current costs, if 12.5% Rate Relief were granted, e.g. £587, the cost to the Council would be £147, the balance being met from the Central Government's "Rates Pool".

4 APPEAL OF ROCHFORD HUNDRED RUGBY CLUB, MAGNOLIA ROAD, ROCHFORD

- 4.1 Again as a result of the annual review on 21 July 1998 (Minute 349/98), the 50% Discretionary Rate Relief was withdrawn from 1 April 1999 as the club had a large capital fund and continued trading in surplus.

- 4.2 The club's appeal against the decision to withdraw its relief was considered by this Committee on 13 July 2000 (Minute 238/2000) and was referred to Full Council on 25 July 2000 (Minute 257/2000), when a full set of the club's accounts was provided.

Full Council decided to hold in abeyance any decision pending the review by the Corporate Resources Sub-Committee of current relief policy.

- 4.3 The current year's Rate Charge for the club amounts to £5077 and based on current costs if 50% Rate Relief were granted, e.g. £2538, the cost to the Council would be £635.

- 4.4 In support of its appeal, attached is a letter dated 1 November 2000 from the club. (**Appendix 'B'**)

The Council's Sports Development Officer is aware of this letter and reaffirms that the club is working with him on the Active Sport Initiative which forms part of the Council's Leisure Strategy.

- 4.5 Following the review of the Discretionary Relief Policy and the detailed report submitted to the Committee on 13 July 2000 the Head of Service would recommend granting 50% Rate Relief from 1 April 2001 in line with revised Council Policy.

5 APPEAL OF RAYLEIGH LAWN TENNIS CLUB, WATCHFIELD LANE, RAYLEIGH

- 5.1 As a result of the annual review on 30 November 1999 (Minute 473/99), the 50% Discretionary Rate Relief granted to the club was

withdrawn from 1 April 2000 in view of the club's large capital fund and continuing annual surpluses.

- 5.2 The capital fund at 30 September 1999 included current assets, of cash/bank accounts, investments, shares etc, totalling £65,000. Since this date £33,500 has been expended on court and clubhouse improvements with more expenditure to follow with the resurfacing of the car park and replacement of two other courts.
- 5.3 The Council's Sports Development Officer also confirms that with support from the Tennis Club he has been able to promote tennis coaching to youngsters within the District.
- 5.4 The current year's Rate Charge for the club amounts to £2997 and based on current costs if 50% Rate Relief were granted, e.g. £1498, the cost to the Council would be £374.
- 5.5 It would appear that the large current assets previously held, have been, or are about to be expended and therefore the Head of Service would recommend the reinstatement of the 50% Rate Relief with effect from 1 April 2001 in line with revised Council Policy.

6 RESOURCE IMPLICATIONS

- 6.1 If the recommendations of the Head of Service referred to in Paragraph 2.4 are agreed the savings based on 2000/2001 figures would be £2667 (**Appendix 'A'**).
- 6.2 If discretionary Rate Relief is granted to the three clubs referred to from 1 April 2001, for which there will be budget provision, the total cost to the Council's General Fund will be as follows, based on current year costs:-

• Westcliff Rugby Football Club	£147	
• Rochford Hundred Rugby Club	£635	
• Rayleigh Lawn Tennis Club	<u>£374</u>	Total <u>£1156</u>

7 LEGAL IMPLICATIONS

- 7.1 Section 47 Local Government Finance Act 1988 provides Local Authorities with the power to reduce or remit Business Rate Liability.

8 PARISH IMPLICATIONS

None.

9 RECOMMENDATION

9.1 It is proposed that the Committee **RESOLVES**

- (1) To revise the Discretionary Rate Relief from 1 April 2001 in respect of the clubs, organisations listed in **Appendix 'A'** on the basis of the recommendations listed in Column 6.
- (2) That Discretionary Rate Relief be granted to the following clubs from 1 April 2001.
 - Westcliff Rugby Football Club - 12.5%
 - Rochford Hundred Rugby Club - 50%
 - Rayleigh Lawn Tennis Club - 50%

S J Clarkson

Head of Revenue & Housing Management

Background Papers:

Local Government Finance Act 1988
Correspondence from the Club, Association referred to.

For further information please contact M D Worship on:-

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APPENDIX 'A'
(Based on 2000/01 figures)

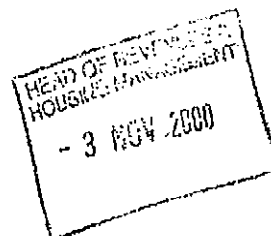
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Name & Address	Rateable Value	Full Rate Charge 2000/2001	Amount of Reduction 2000/2001 and % relief	Cost Borne Locally 2000/2001	<i>Recommended Revisions from 1st April 2001</i>	Costs Borne Locally if Recommendation Approved
	£	£	£	£		£
Star Shooting Club Lubbards Lodge Farm, Rayleigh	7500	3181	795 25%	199	<u>Relief be reduced</u> to 15%, in line with Council policy, as only 30% of Members reside in District	119
Kent Elms Tennis Club Aviation Way Southend on Sea	3400	1567	784 50%	196	<u>Relief be withdrawn</u> in view of large capital fund and continued annual surpluses	NIL
Wakering Yacht Club Sutton Wharf Rochford	10500	3868	1934 50%	483	<u>Relief be withdrawn</u> as a result of continuing surpluses and substantial current assets	NIL
Rayleigh Horticultural Society Lower Wyburns Farm	4600	1914	957 50%	239	<u>Relief be withdrawn</u> in view of substantial capital fund and annual surplus shown in latest accounts	NIL
Essex Marina Yacht Club Wallasea Island	1500	692	173 25%	43	<u>Relief be reduced</u> to 15% in line with Council policy, as only 30% of Members reside within the District	26

Hawkwell Village Hall	7850	3619	724 20%	543	The 20% Discretionary Relief (Top Up) amounting to <u>£724</u> be withdrawn in view of large capital fund and continued annual surpluses 80% Mandatory Relief continues as a registered charity	NIL
Up River Yacht Club, Hullbridge	8500	3919	980 25%	245	<u>Relief be Increased</u> to 50% in line with Council policy as 53% of Members now reside within the District	490
Rochford O.P. Welfare Comm. Day Centre, Back Lane	4350	2005	401 20%	301	The 20% Discretionary Relief (Top Up) amounting to <u>£401</u> be withdrawn in view of large capital fund and continued annual surpluses, although the issue could be deferred until the Council considers their "Grant Support" to organisations which is to be reviewed by the Corporate Resources Sub-Committee in the new year 80% Mandatory Relief continues as a registered charity	NIL
Hockley & Hawkwell Old Peoples Welfare Comm., Southend Road, Hockley	5750	2650	530 20%	398	The 20% Discretionary Relief (Top Up) amounting to <u>£530</u> be withdrawn in view of large capital fund and continued annual surpluses, although the issue could be deferred until the Council considers their "Grant Support" to organisations which is to be reviewed by the Corporate Resources Sub-Committee in the new year 80% Mandatory Relief continues as a registered charity	NIL
Hullbridge Sports & Social Club	21750	10484	2621 25%	655	<u>Relief be withdrawn</u> as a result of substantial capital assets and in excess of 50% of social members	NIL
<u>Total</u>				<u>£3302</u>		<u>Total</u> £635

Savings Based on 2000/2001 Costs £2667

ROCHFORD HUNDRED RUGBY FOOTBALL CLUB

Mr M Worship
Local Taxation Manager
Rochford District Council
Council Offices
South Street
Rochford
Essex SS4 1BW



01/11/2000

Dear Mr Worship,

Application for Discretionary Rate Relief under Sections 47 and 48 of the Local Government Finance Act 1988 by Rochford Hundred Rugby Football Club for the financial years 1999/2000 and 2000/2001.

Could you please bring the contents of this letter to the attention of Members of the Council's Finance and General Purposes Sub-committee at its meeting to be held on December 7th 2000.

You already have correspondence from my Club and the last two seasons sets of audited accounts (1997/98 and 1998/99). The books have been closed for the financial year 1999/2000, which for us ended in August 2000. The accounts are being audited, and the Club Treasurer expects the end result for the year end to be very similar to that as was the case at the end of the last audited financial year (1998/99). That is the Club will still be operating at a deficit and relying on other measures to survive.

Certainly Discretionary Rate Relief to the maximum amount permissible under law would be most welcome and I think justified.

I think I have fully satisfied all the relevant criteria your Council uses to judge whether or not you should award rate relief, but I have given some additional information below whilst also possibly repeating some of that already provided.

Discretionary Relief is designed primarily for voluntary and non-profit making organisations. The legislation describes these types of organisations as not being established or conducted for profit and whose main objects are charitable or are otherwise philanthropic, concerned with education, social welfare or has premises used for the purposes of recreation and are a club.

Rochford Hundred Rugby Club is run and administered by volunteers and most certainly is a not-for-profit organisation. We can demonstrate that we are a philanthropic organisation through the many fund raising activities we have undertaken to support "good causes" in the past. We are most definitely concerned with the education and social welfare of all our

members but especially our younger members, and our premises are used for the purposes of recreation and we are a club.

You will be aware that the Government have issued national guidelines indicating that Local Authorities such as yourselves should adopt a generous stance, particularly so in the case of organisations who help fund their own activities by the running of bars and other social functions.

Rochford Hundred Rugby Club meets this criteria through the running of its own bar and the many social functions we run to keep our costs down to make the club financially attractive to join for all the residents of the Rochford District, irrespective of their financial position.

We also apply for grants and loans to help offset our operational costs where and when we can. I understand we "lost" that Rate Relief we used to enjoy for the year 1999/2000 because our audited accounts showed us making a surplus of income over expenditure in the year 1997/98. (The latest set of audited accounts available for inspection at that time). This situation only came about because we were helping to reduce our capital expenditure by way of a loan which was not totally defrayed in the year it was awarded, thus resulting in a surplus at the year end.

We applied for but did not receive any Rate Relief for the year 1999/2000, and are again applying in this year (2000/2001).

The results of the last three years of audited accounts show;

1996/97	-£808	Deficit
1997/98	+£23,099	Surplus
1998/99	-£11,918	Deficit

so for two of the last three years we have shown an operating deficit at the end of the year, and would have done so for all three years almost certainly if it was not for the loan we took out, so as far as we are concerned we "lost" Rate Relief just because we were trying to help ourselves.

Other criteria I believe your Council uses to assess whether or not to award Rate Relief include;

Access:

Is membership open to all sections the community? *I believe we have answered this fully in previous correspondence, but did not include a reference to disabled rugby. Since the recent Paralympics in Sydney, we have become aware of wheelchair rugby, which is now an Olympic Sport and we are researching how our Club can become involved in this new dimension to our game of rugby football. This will add another section of under represented people to the membership, from the "hard to reach*

groups" mentioned in many recent Government papers alongside young people and women.

You are also requested in the guidance to consider if a club can demonstrate if the criteria by which it considers applications for membership are consistent with the principles of open access and not to consider clubs who set membership rates at such a high level as to exclude the general community.

As shown in earlier submitted papers we can clearly demonstrate that our membership rates are very low compared with other team sports in the District. We have a policy of positive discrimination towards the unemployed, low wage earners and single parents, which allows for a sliding scale of charges to be applied at the discretion of the relevant Committee Officer. We operate an open and inclusive membership policy.

Does the organisation actively encourage membership from particular groups in the community, for example young people, women, persons with a disability and people from the ethnic minorities?

As stated before we have a current membership of around 460, of which about 300 are aged 18 or under. We are currently under represented by women playing rugby but this is fast being addressed as women's rugby is one of the fastest growing sports in the country and we hope to field at least one woman's team of under 14's upwards next season. We already have about 30 young girls playing mini-rugby out of the 80 women members. We only have about 1% of the current membership with a registered disability but are seeking to address this concern with our wheelchair rugby initiative. Our ethnic minority membership totals around 2% of our membership, which I think reflects the ethnic make-up of the population of Rochford District.

You are asked to consider giving more sympathetic consideration to a club which makes the sort of effort we are compared to one which makes no effort to attract members from the above listed groups.

Are the facilities made available to people other than members? You are guided to give rate relief to an organisation that promotes its facilities for a wider use.

Again, I have already addressed this question, but can now add that our club are part of the new Sport England Initiative called Active Sport which Rochford District Council have signed up to, and through the offices of your Sports Development Officer we will be working together to achieve the Governments objectives, which form part of your own Council's Leisure Strategy.

Provision of facilities:

Does the organisation provide training or education for its members? You are asked to consider here that an organisation providing such facilities might deserve more support

than one which did not provide schemes for particular groups, such as young people, to develop their skills.

New information here concerns the additional courses we are now putting together to enable college students to gain relevant qualifications in rugby to enable them to pass their chosen exams. We are also developing training courses for teachers and coaches based not only on the Rugby Football Unions guidelines but also the National Coaching Foundations principles. This will enhance the training and education provided to our Youth Section, so we can demonstrate that we meet this element.

Have the facilities available been provided by self help or grant aid? You are asked to consider that if a club uses or has used self help for construction and maintenance or had facilities funded by grant aid then such a club might be more deserving of relief.

Rochford Hundred Rugby Football Club have and do use self help for both construction and maintenance where possible. Our latest extension was largely built by club members who are skilled in the building trade giving their time free of charge. The majority of ongoing maintenance to the clubhouse and grounds is carried out by club volunteers.

Both the original and recent extensions were funded by grant aid, the first grant being from the Playing Fields Association and the second grant from the Foundation for Sports and Art Fund. So you can see that we meet this criteria in full.

Does the organisation run a bar? You are reminded in the guidance from the Government that the mere existence of a bar should not in itself be a reason for not granting relief and that you should look at the main purpose of the organisation.

In the case of our rugby club you asked to consider the balance between playing and non-playing members which might provide a useful guide as to whether the main purpose of the club is sporting or social. The guidance says that a social club whose main aim is to bring together people with a similar interest should not be excluded from relief just because of the existence of a bar.

With regard to Rochford Hundred Rugby Football Club, we do operate a bar. It is quite clear that the main purpose of the club being in existence is to play rugby (which includes the coaching and training of rugby football and the social interactions based around the sport).

Our current membership of around 460 is approximately split 340 playing and 120 social. The vast majority of the social members (about 100) are parents of the mini and youth players. From this I hope you will agree that the main purpose of our club is sporting, but if you were to consider us to be a social club, you must agree that that our main aim is to bring together people with a similar interest, i.e. the playing of rugby.

Does the organisation provide facilities that indirectly relieve the authority of the need to do so? The provision of facilities to meet a need, not being provided by the authority itself but identified as a priority for action might be particularly deserving of support according to the guidance.

Rochford Hundred Rugby Football Club provide rugby pitches at no cost to the local authority, unlike Southend who do provide pitches for Southend Rugby Club, and I think for Westcliff Rugby Club, or do Rochford provide the pitches for Westcliff? Anyhow that doesn't really matter, the issue is that our club provide a facility that if we didn't directly provide for is one that we would be asking the District Council to provide for us, using valuable playing field land that I'm sure is currently hired out to soccer and hockey teams.

Concerning the provision of facilities to meet a need not being provided for directly by the authority but identified as a priority for action, then your Councils commitment to the Active Sports programme, which has identified rugby as one of the first nine sports to be assisted and the fact that we are the delivery agent for the Active Sport Programme for Rugby in Rochford, working in liaison with your authorities Sports Development Officer suggests to me that we are a club deserving of support.

Is the organisation affiliated to local or national organisations?

Yes we are. We are members of the Rochford Sports Council, The RFU, The Essex RFU, Eastern Counties RFU and the Essex Society of Referees.

I believe that the Rochford Hundred Rugby Football Club therefore meets and surpasses all the criteria your Council uses to determine whether or not to give Discretionary Rate Relief under sections 47 and 48 of the Local Government Finance Act 1988 and hereby request that the Rochford District Council give Rochford Hundred Rugby Football Club the maximum allowable discretionary Rate relief for the years 1999/2000 and 2000/2001.

Yours sincerely



Ray Stephenson
Chairman
Rochford Hundred Rugby Football club