

ITEM 12(c)

POLICY AND RESOURCES COMMITTEE

29 MARCH 2000

DISCRETIONARY RATE RELIEF APPLICATION: SECTION 47, LOCAL GOVERNMENT FINANCE ACT 1988

Accountable Officer: Peter Timmins (Treasurer)

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1. Purpose

- 1.1 To consider an application for 20% discretionary rates relief from the National Hockey Foundation for the year 2000/01 under Section 47 of the Local Government Finance Act 1988.

2. Summary

- 2.1 80% Mandatory Rate relief has been awarded to the National Hockey Foundation, but the Foundation has requested 20% discretionary relief for one year only because they are staging the Women's Hockey Olympic Qualifier for eleven days in March.

3. Recommendations

- 3.1 The Committee is recommended to consider the application and decide whether to allow 20% discretionary relief for the year 2000/01.

4. **Background**

- 4.1 The Resources Committee agreed a scheme of delegation to the Treasurer for Rate Relief applications at its meeting on 3 December 1997 (Minute R68/98 refers). Applications outside of the delegated scheme require consideration by this Committee.
- 4.2 Where an organisation (such as the National Hockey Foundation) qualifies for 80% mandatory rate relief this cost is met by the NDR pool. Should the Council grant an additional 20% discretionary relief 25% of the cost is met from the Non-Domestic Rating (NDR) pool. The remaining 75% discretionary relief is met by the Council's General Fund Budget.

5. **Issues and Choices**

- 5.1 The Council's policy on sports clubs states that where a voluntary sports club occupies premises which are mainly devoted to the sport or pastime concerned 62½% discretionary relief will be awarded providing more than 50% of the club's membership are residents of Milton Keynes. Where residents of Milton Keynes are less than 50% of the membership the policy states 12½% discretionary relief shall be awarded.
- 5.2 There are, however, sporting organisations which are registered charities. They qualify for 80% mandatory relief. There is nothing specific in the policy about discretionary relief for these organisations but at present none of them receive any discretionary relief. It should also be noted that when Spectrum Sports and Leisure applied for an additional 20% discretionary relief in respect of the Kingston Gymnastic Centre this was refused by the Finance and General Purposes Committee at its meeting on 2 April 1996 (Minute FG 64/96 refers).
- 5.3 Taken together this provides a coherent approach to rate relief for sports clubs. Those clubs with less than 50% of it members being Milton Keynes residents get the lowest level of relief. Those with more than 50% get a higher level of relief at a greater cost to local taxpayers and the clubs which are registered charities get the highest level of relief but at no cost to local taxpayers.
- 5.4 The National Hockey Foundation has applied for 20% discretionary relief because they are staging the Women's Hockey Olympic Qualifier between 23 March and 2 April 2000. The Council's Leisure and Community Services Manager has stated he supports this application.
- 5.5 The application is in a letter that reads as follows:
- “For some time now English Hockey has been in discussion with John Cove of Milton Keynes Council about the Women's Hockey Olympic Qualifier that will be hosted at the National Hockey Stadium in Milton Keynes next year (23 March - 2 April 2000).

The event is the only Olympic tournament taking place in the United Kingdom in 2000 and therefore represents a major sports event for the Millennium year.

Naturally this type of opportunity does not simply matter in purely sporting ways. It also provides a host town like Milton Keynes to spread its message commercially and culturally - at home and abroad.

John has agreed to provide his support in a number of areas and has suggested that his department and MK Council could support the staging of the event through a 100% rate rebate for the Stadium in 2000/01 which will allow us to provide opportunities for young people's increased involvement.

In addition to this, English Hockey will be working closely with MK Council to develop:

- (a) New Media promotion opportunities through MKWeb.
- (b) Community and cultural opportunities in the build up to and during the tournament.
- (c) The Qualifier's role in the City 2000 campaign.

I understand that you are in a position to help progress the issue of a rebate to support this event and I would therefore be grateful if you would consider this method of support for the tournament."

- 5.6 It will be apparent that when the Council wants to financially support an organisation giving them a direct grant can do this. However, where providing additional rate relief will result in the Council awarding a similar amount, this will always be a more cost-effective way of providing this. The difficulty with awarding rate relief instead of a grant is that there is no guarantee that the relief being awarded is a similar amount to the level of a grant that would represent good value for money.
- 5.7 The other main issue to consider is if this application is granted where does the money come from? An amount has been earmarked to fund the cost of providing discretionary rate relief in line with the Council's normal policy but nothing has been set aside for allowing applications like this which are well outside the policy but where Council support has been given.
- 5.8 If the National Hockey Foundation are allowed 20% discretionary relief in 2000/01 it's value will be £32,947.20. Leisure, Youth and Community Services, who are supporting this application, have been informed of this but they have not said whether this sum is similar to what they would have contemplated nor whether awarding this represents good value.
- 5.9 The cost of allowing this application will be £24,710.40 and in this case it could be agreed to increase the 2000/01 budget for discretionary rate relief to allow for it. However, there may be similar applications in the future where this is not a viable option.

5.10 The Committee is therefore asked to decide whether or not 20% discretionary rate relief should be allowed to the National Hockey Federation for the year 2000/01 to increase the relief they are already receiving from 80% to 100% for that year only.

6. **Implications**

6.1 Environmental

None.

6.2 Equalities

Rate Relief to charitable and other organisations is of key assistance in delivering the Council's Equalities policies.

6.3 Financial

It is estimated that the discretionary rate relief budget for 2000/01 will need to be set at £255,400 to meet present commitments. If the National Hockey Foundation is allowed the 20% relief they are requesting this will be worth £32,947.20. Of this, £24,710.40 will be met by this Council. This will mean the discretionary rate relief budget will need to be increased by 9.7% to £280,100 and this will represent a 24.5% increase in this year's budget which is set at £225,000.

6.4 Legal

Power for allowing this discretionary rate relief is contained in Section 47 of the Local Government Finance Act 1988.

6.5 Staff and Accommodation

None.

7. **Conclusions**

7.1 The Committee's decision is requested about whether to allow the National Hockey Foundation 20% discretionary rate relief in 2000/01 bearing in mind the financial implications and Leisure and Community Services support of the application.

Background Papers: Correspondence from Applicant