

Diversity impact assessment

TITLE <i>Name/description of the issue being assessed</i>	Business Rate Relief
DATE <i>Date the DIA is completed</i>	16 December 2016
LEAD OFFICER <i>Name of person responsible for carrying out the DIA.</i>	Jon Poulson
1 Summary description of the proposed change <ul style="list-style-type: none"> • <i>What is the change to policy/service/new project that is being proposed?</i> • <i>How does it compare with the current situation?</i> 	
<p>The Local Government Finance Act 1988 requires all local authorities to grant mandatory rate relief to registered charities and registered Community Amateur Sports Clubs (CASCs). Mandatory relief provides an 80% reduction in business rates.</p> <p>Under the Localism Act 2011, local authorities also have the power to grant discretionary relief to cover some or all of the remaining 20% (commonly referred to as ‘top up’ relief) and up to 100% relief to other non-profit making organisations. It is these latter categories that the Council is reviewing.</p> <p>Current discretionary relief levels to organisations already in receipt of mandatory relief are in practice almost exclusively 20%, and those qualifying organisations not in receipt of mandatory relief 100%.</p> <p>Consultation has taken place on three options</p> <ol style="list-style-type: none"> 1. Reinstate the current guidelines whereby all charities, not for profit organisations and community amateur sports clubs would be treated the same and receive the maximum relief of 100%. Under this option these organisations would not have to make any contribution towards their rates bill 2. This is the Council’s preferred option and will involve the implementation of guidelines with a variable level of discretionary relief based on the purpose of the charity, not for profit organisation or community amateur sports club. 	

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3. Charity and community amateur sports club properties in receipt of mandatory relief (a reduction in their business rates bill of 80%) would not receive any discretionary top up. Any not for profit organisation properties who currently receive 100% discretionary relief would have their award limited to 80% discretionary relief.

This option would mean that all charity, community Amateur sports clubs and not for profit organisation properties would have to pay 20% towards their business rates bill.

2 Summary of evidence used to support this assessment

- *Eg: Feedback from consultation, performance information, service user records etc.*
- *Eg: Comparison of service user profile with Medway Community Profile*

A consultation available to all residents and businesses took place between 15.09.16 and 7.12.16. This consisted of:

- An online option via the Council's website
- Paper surveys available upon request from all Medway Libraries, contact points and hubs
- A letter to all organisations in receipt of discretionary relief
- Targeted communication with local groups.

There were **xxx** responses received with

- **xxx** responses from representatives of current discretionary rate relief recipients of whom **xx%** chose option **xx** the most popular response
- **xxx** from other businesses of whom **xx%** chose option **xx** the most popular response
- **xxx** from other individuals of whom **xx%** chose option **xx** the most popular response

Whilst the survey addresses the views of the organisations and the individuals they represent it is unable to ascertain the effects on those individuals or to the service they receive. There are two main reasons for this, namely the lack of information on the make-up of membership or service recipients and not understanding what the response of those organisations would be to any changes (in the sense of increasing membership costs, making efficiency savings, use of reserves, additional fundraising etc). Some of these matters may be addressed through discussions with stakeholders at the

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Overview & Scrutiny Meeting and further analysis of the consultation results.

3 What is the likely impact of the proposed change?

Is it likely to :

- Adversely impact on one or more of the protected characteristic groups?
- Advance equality of opportunity for one or more of the protected characteristic groups?
- Foster good relations between people who share a protected characteristic and those who don't?

(insert ✓ in one or more boxes)

Protected characteristic groups	Adverse impact	Advance equality	Foster good relations
Age	Dependent on option chosen (see 4 below)	Dependent on option chosen (see 4 below)	N/A
Disability	As above	As above	N/A
Gender reassignment	As above	As above	N/A
Marriage/civil partnership	As above	As above	N/A
Pregnancy/maternity	As above	As above	N/A
Race	As above	As above	N/A
Religion/belief	As above	As above	N/A
Sex	As above	As above	N/A
Sexual orientation	As above	As above	N/A
Other (eg low income groups)	As above	As above	N/A

4 Summary of the likely impacts

- Who will be affected?
- How will they be affected?

If option one is chosen there will be no adverse impact in so far as the status quo will remain with all qualifying organisations continuing to be awarded 100% rate relief.

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If option 2 is chosen, those organisations whose primary purpose is to support vulnerable people will continue to receive 100% rate relief and as such there will be no adverse impact. However, the following organisations will see a reduction in the amount of relief awarded:

Organisation purpose	Number of organisations	Number of properties
Animal welfare	3	4
Lifestyle	82	120
Heritage	9	17
Charity Shops and Cafes	24	45

The protected characteristic groups that make up the membership or benefit from the services of these organisations is not known.

If option 3 is chosen, all organisations will receive a reduction in the amount of rate relief awarded and as such could create an adverse impact across all groups.

5 What actions can be taken to mitigate likely adverse impacts, improve equality of opportunity or foster good relations?

- *Are there alternative providers?*
- *What alternative ways can the Council provide the service?*
- *Can demand for services be managed differently?*

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Further information concerning the make-up of organisations will be requested when applications for relief are issued. This information can then be used to better inform how these organisations impact the lives of those in protected characteristic groups.

The level of recovery action needed to collect business rates from these organisations will inform officers of any difficulties that the new policy may be causing.

The effects of the reduced discount can be mitigated by the Council's Business Rates Hardship Relief scheme designed to assist any business organisation facing hardship.

Officers will offer advice on other opportunities that may benefit the organisations involved, such as sports clubs applying for Community Amateur Sports Club status.

6 Action plan

- *Actions to mitigate adverse impact, improve equality of opportunity or foster good relations and/or obtain new evidence*

Action	Lead	Deadline or review date
Analysis of consultation responses	Corporate Performance & Intelligence	Ongoing
Stakeholder discussion at Business Support Overview & Scrutiny Committee	Corporate Performance & Intelligence plus Revenues & Benefits	05 January 2016
Seek applications for relief and obtain details of memberships and service recipients	Revenues & Benefits	February 2016 onwards
Monitor recovery action to identify any disproportionate increase arising from the change in discount level The number of charity relief cases being issued recovery notices will be compared to previous years and the number of hardship relief applicants and successful claimants will also be	Revenues & Benefits	April 2016 onwards

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compared to previous years. The new policy can then be reconsidered in light of any detrimental effects.

7 Recommendation

The recommendation by the lead officer should be stated below. This may be:

- *to proceed with the change implementing action plan if appropriate*
- *consider alternatives*
- *gather further evidence*

If the recommendation is to proceed with the change and there are no actions that can be taken to mitigate likely adverse impact, it is important to state why.

Implement the changes and proceed with the action plan seeking Cabinet approval on the basis that the outcome of the consultation process supports implementation.

8 Authorisation

The authorising officer is consenting that:

- *the recommendation can be implemented*
- *sufficient evidence has been obtained and appropriate mitigation is planned the Action Plan will be incorporated into service plan and monitored*

Assistant Director

Date

Contact your Performance and Intelligence hub for advice on completing this assessment

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Send completed assessment to the Corporate Performance & Intelligence Hub (CPI) for web publication