

APPLICATION FOR DISCRETIONARY RATE RELIEF – THE GET A-HEAD CHARITABLE TRUST (TGACT), GROUND FLOOR 695 WARWICK ROAD AND SECOND FLOOR 695 WARICK ROAD, SOLIHULL, B91 3DA

1 Background

- 1.1 TGACT are a registered charity and are therefore entitled to 80% Mandatory Charity Relief. This is their first application for rate relief and have been in the above premises since 8 May 2017.
- 1.2 TGACT provide funding to hospitals and universities for research into improving and finding new treatments for head and neck cancers. They provide funding for medical staff to continue their on-going training and improve their knowledge.
- 1.3 They state on their application they have funded a complementary therapy service at Queen Elizabeth hospital which treats some patients from Solihull.
- 1.4 They employ 2 members of staff and have a board of 8 trustees who help with the running of the charity.
- 1.5 The score card overleaf recommends an award of 10%.

2. Financial Implications

- 2.1 Details of the Business Rates and Relief applied for are set out as below:

	Ground Floor 2017/18	Ground Floor 2018/19	Second Floor 2017/18	Second Floor 2018/19	Total
20% Discretionary Relief applied for	£324.40	£359.89	£80.18	£88.74	£853.21
Cost of 20% Discretionary Relief to the Council (99%)	£321.16	£356.29	£79.38	£87.85	£844.68
10% Discretionary Relief Recommended	£162.20	£179.95	£40.09	£44.37	£426.61
<u>Cost to the Council of Recommendation</u>	£160.58	£178.15	£39.69	£43.93	£422.35

- 2.2 TGACT has submitted their accounts for the financial years ending 31st March 2016 and 31st March 2017.
- 2.3 For the year ending 31st March 2016 TGACT had income of £359,000 and total expenditure of £307,000 resulting in a surplus of £52,000. For the year ending 31st March 2017 there was an increase in income to £383,000, and a significant increase in expenditure to £605,000 leading to a deficit of £222,000. The increase in expenditure was mainly due to research grants awarded during 2016/17 amounting to £373,000. This was funded from a combination of restricted and unrestricted reserves.
- 2.4 The policy for unrestricted funds is to maintain a balance equating to 12 months' unrestricted charitable expenditure. In 2015/16 and 2016/17 this required unrestricted funds of £109,000 and £278,000 respectively. At 31st March 2016 the unrestricted funds balance was £234,000 and £78,000 at 31st March 2017. Therefore the charities requirement has not been met for the 2016/17 financial year.
- 2.5 TGACT are also supported by funds held by Queen Elizabeth Hospital Birmingham Charities. At 31st March 2017 the balance of the funds available was £105,000, of which £43,000 was ring fenced to cover future committed expenditure. It is not clear from the accounts whether this has been included in the income funds balance for either year.
- 2.6 TGACT has had mixed financial performance over the last two years and the level of unrestricted funds is £200,000 below the level recommended by the trustees. Therefore it is considered that an award of rate relief would have an impact on the finances of the charity.

Discretionary Rate Relief**The Get A-Head Charitable Trust**

	Section A - Affordability	Yes or No
1	<p>The financial assessment considers:</p> <ul style="list-style-type: none"> • level of surplus of deficit in recent years • level of reserves held in view of the organisation's reserves policy • proportionality of the relief applied for in relation to the size of the organisation's operating costs • relationships with parent organisations where relevant • affordability to the Council <p>Yes - complete Sections B and C No - the rate of relief is nil</p>	Yes

	Section B – Clients Supported	Potential Score	Actual Score
1	Over 90% of the organisation's clients are Solihull residents	3	
2	Between 50% and 89% of the organisation's clients are Solihull residents	2	
3	Less than 50% of the organisation's clients are Solihull residents	1	1

	Section C – Other Factors	Potential Score	Actual Score
1	The ratepayer has evidenced that they meet one or more of the Council's priorities	1	1
2	The service has been recognised as important to the Council through a contract or SLA with the Council.	1	0
	Total Score	B+C	2

Award of Discretionary Rate Relief

	Discount for Charities – up to 20%	Discount for Not for profit organisations – up to 100%
Score of 4 or more	20%	100%
Score of 3	15%	75%
Score of 2	10%	50%
Score of 0 or 1	No relief	No relief