

**APPLICATION FOR DISCRETIONARY RATE RELIEF – THIS WAY UP YOUTH PROJECT (TWUYP), THE BETHANY CENTRE, 155A KINETON GREEN ROAD, SOLIHULL, B92 7EG**

**1 Background**

- 1.1 TWUYP are a registered charity and are therefore entitled to 80% Mandatory Charity Relief. They were previously awarded discretionary relief until 30 June 2018 (20%).
- 1.2 TWUYP main objectives are around the social welfare of young people in education. They offer healing to young people affected by divorce, death of parents or family breakdown and who are going through the challenges of adolescence. The healing is using the arts, helping clients work through their grief giving techniques to help young people cope for the future.
- 1.3 The premises at Bethany 155A Kineton Green Road provides listening support of trained mentors, tools for understanding, processing and engaging with behaviours relating to their client's losses. They support dealing with self harm, eating issues, substance abuse, and attempted suicide due to reduced resilience caused by loss.
- 1.4 All clients are pupils of secondary schools in Solihull. TWUYP have SLAs with 5 secondary schools in Solihull (Grace Academy, Arden, Langley, Light Hall and St Peter's) to provide pastoral mentoring to students struggling with bereavement or family breakdown.
- 1.5 From September 2018 they have SLAs with two additional schools (Smiths Wood and Alderbrook) but their service contribution is being reduced to reflect the difficulty with school budgets. So in 2018/19 they will be increasing delivery but at a lower cost (meeting the shortfall from increased fundraising).
- 1.6 The score card overleaf recommends an award of 20%.

**2. Financial Implications**

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

	2018/19
20% Discretionary Relief applied for	£717.97
Cost of 20% Discretionary Relief to the Council (99%)	£710.79
20% Discretionary Relief Recommended	£717.97
<u>Cost to the Council of Recommendation</u>	£710.79

- 2.2 TWUYP has submitted their accounts for the financial years ending 31<sup>st</sup> July 2016 and 31<sup>st</sup> July 2017. Due to a change of accounting year end during

2015/16, the accounts submitted represent 13 months. This was effected to align more closely with the academic year of the schools the charity works with.

- 2.3 For the year ending 31<sup>st</sup> July 2016, TWUYP had income of £44,000 and expenditure of £58,000 leading to a deficit of £14,000. For the year ending 31<sup>st</sup> July 2017 income had increased to £52,000 and expenditure decreased to £53,000, leading to a deficit of £1,000.
- 2.4 The shortfall in income during 2015/16 is noted as being due to a substantial number of funding streams and individual donors no longer being involved with the charity, since the founder and chairman left the organisation.
- 2.5 During 2016/17 the Trustees of TWUYP amended the policy for holding unrestricted reserves from 6 months' expenditure to 3 months' expenditure. The reasons given for this were to reflect more accurately the current financial position, and to avoid having such a high level of reserves that some trusts would not consider the charity to be a priority when allocating funding. At 31<sup>st</sup> July 2016 the unrestricted reserves balance was £18,000 against a required balance of £26,000. Under the new policy, at 31<sup>st</sup> July 2017 the unrestricted reserves balance was £21,000 against a target of £13,000 which satisfies the new policy.
- 2.6 Although the charity now holds reserves in excess of the minimum balance specified in their policy, there have been deficits for the past two financial years and the value of the relief is a significant amount in relation to their typical income and expenditure. Therefore it is considered that an award of rate relief would have a significant impact on the finances of the charity.

**Discretionary Rate Relief****This Way Up Youth Project**

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

	<b>Section B – Clients Supported</b>	<b>Potential Score</b>	<b>Actual Score</b>
1	Over 90% of the organisation's clients are Solihull residents	3	<b>3</b>
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	

	<b>Section C – Other Factors</b>	<b>Potential Score</b>	<b>Actual Score</b>
1	The ratepayer has evidenced that they meet one or more of the Council's priorities	1	<b>1</b>
2	The service has been recognised as important to the Council through a contract or SLA with the Council.	1	<b>0</b>
	<b>Total Score</b>	<b>B+C</b>	<b>4</b>

**Award of Discretionary Rate Relief**

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