

APPLICATION FOR DISCRETIONARY RATE RELIEF – JUBILEE CHURCH SOLIHULL (JCS), 1st FLOOR 677 WARWICK ROAD AND ROOMS 17, 18A, 18B, 20 PART 2ND FLOOR JAGO HOUSE, SOLIHULL, B91 3DA

1 Background

- 1.1 JCS are a registered charity and are therefore entitled to 80% Mandatory Charity Relief. They have previously received this relief at 20%.
- 1.2 JCS's main objectives are to advance the Christian faith and education in Solihull, Birmingham and the surrounding areas, relieve those who are in conditions of need, financial hardship or sickness and to assist in the provision of facilities for recreation and leisure.
- 1.3 JCS is a worshipping community providing services throughout the week for its members and the community. Alongside their church commitments they run a toddlers group (that supports 70 families every Friday in term time which is free of charge) and a youth group (30 young people) supporting positive outcomes for 11-18 year olds.
- 1.4 On their application they state they have trained chaplains who work with Solihull Hospital and several care homes for the elderly. They have set up a Children's storehouse project that provides clothing and equipment to local families in need.
- 1.5 Their services are provided on a free of charge basis but they do occasionally ask for a contribution towards expenses but this is on a minimal basis and does not stop someone attending a group or activity if they can not pay.
- 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:

	First Floor 2018/19	Second Floor 2018/19	Total
20% Discretionary Relief applied for	£438.03	£2,662.20	£3,100.23
Cost of 20% Discretionary Relief to the Council (99%)	£433.65	£2,635.58	£3,069.23
20% Discretionary Relief Recommended	£438.03	£2,622.20	£3,100.23

<u>Cost to the Council of Recommendation</u>	£433.65	£2,635.58	£3,069.23
2.2	JCS has submitted their accounts for the financial years ending 31 st March 2016 and 31 st March 2017. The accounts state that the church is part of the Catalyst Network of Churches, which in turn is part of the Newfrontiers International family of churches, both of which are registered as separate entities. The Catalyst Network of Churches is described as a related party in both years' accounts, to which Jubilee Church Solihull has made financial contributions.		
2.3	For the year ending 31 st March 2016, JCS had income of £140,000 and total expenditure of £147,000 resulting in a deficit of £7,000. For the year ending 31 st March 2017 there was an increase in income to £151,000 and expenditure to £169,000 leading to a deficit of £18,000.		
2.4	The policy for unrestricted funds is to maintain a balance equating to 3 months' unrestricted charitable expenditure. In 2015/16 and 2016/17 this required unrestricted funds of £35,000 and £34,000 respectively. At 31 st March 2016 the unrestricted funds balance was £32,000 and at 31 st March 2017 this was £28,000. Therefore the charity's requirement has not been met in either financial year.		
2.5	JCS has had a deficit in the two previous financial years and has a balance of unrestricted funds below the minimum balance specified in their reserves policy. Therefore it is considered that an award of rate relief would have an impact on the finances of the charity.		

Discretionary Rate Relief**Jubilee Church Solihull**

	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	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	

	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	
	Total Score	B+C	4

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