

METROPOLITAN BOROUGH OF WIRRAL

SCHOOLS FORUM

JANUARY 2011

REPORT OF THE DIRECTOR OF FINANCE

DISCRETIONARY RATE RELIEF FOR VOLUNTARY AIDED, ACADEMY AND FOUNDATION SCHOOLS

1. EXECUTIVE SUMMARY

- 1.1. Cabinet is currently in the process of reviewing the Council's discretionary policies with regard to the award of business rate relief to a variety of organisations including schools. It is proposed to reduce the discretionary school rate relief from April 2012.
- 1.2. Comments have been made in recent years concerning the size of Wirral's Discretionary Rate Relief Budget when compared to similar sized councils.
- 1.3. At present the net cost to schools budget from this change would be £268,000. However this will increase in line with increases in business rates. From April 2012 it is estimated that the cost would be £300,000.

2. BACKGROUND

- 2.1. Mandatory rate relief of 80% is awarded to voluntary aided, academy and foundation schools at no cost to the Council.
- 2.2. Top up discretionary rate relief of the remaining 20% is currently awarded to the same categories of schools, however 75% of this cost is borne by the Council's Discretionary Rate Relief Budget (DRRB)
- 2.3. The cost that is borne by the DRRB for 2010-11 currently stands at approximately £581,000 of which £268,000 relates to the award for schools, by far the largest single category of award.
- 2.4. A schedule of schools currently in receipt of this top up relief is detailed in Appendix A.
- 2.5. The total DRR amount awarded to schools during 2010-11 is £357,000 of which £89,000 is a central government grant and £268,000 is a council contribution.
- 2.6. One of the options that Members are being asked to consider to reduce the burden on the Discretionary Rate Relief Budget is to cease

awarding discretionary relief in certain instances with effect from 1 April 2012. This change to schools would reduce council costs by £268,000 but would increase the amounts paid by schools by £357,000.

3. FINANCIAL IMPLICATIONS

- 3.1 The Council is under pressure to reduce the levels of discretionary rate relief. If the top up discretionary rate relief eligibility was removed from this category, a total cost of £400,000 would need to be added to the overheads covered by the Dedicated Schools Grant with effect from 2012-13. This would give the authority an annual saving of £100,000.
- 3.2 The alternative proposed is that a contribution of £300,000 from the Dedicated Schools Grant to the Discretionary Rate Relief Budget is made each year with effect from 1 April 2012. Schools would continue to receive DRR and the council would generate an equivalent revenue saving. This is £100,000 less than would otherwise be required.

RECOMMENDATIONS

The Forum agrees to a contribution to the Discretionary Rate Relief Budget of £300,000 with effect from 2012-13.

IAN COLEMAN
DIRECTOR OF FINANCE

Appendix A

Account Id	School	Current Rv	Actual Relief Awarded	Cost to the Authority
700371819	WEATHERHEAD	540000	-£42,052.71	-£31,539.53
700057272	WIRRAL GRAMMAR (BOYS)	186000	-£15,400.80	-£11,550.60
700108985	WEST KIRBY GRAMMAR	192000	-£16,828.46	-£12,621.35
700109007	HILBRE SECONDARY	307500	-£25,461.00	-£19,095.75
700109023	WOODCHURCH HIGH	223000	-£18,464.40	-£13,848.30
700109230	WIRRAL GRAMMAR (GIRLS)	277500	-£22,977.00	-£17,232.75
700240047	CALDAY GRAMMAR	120000	-£11,117.28	-£8,337.96
70010882	SOUTH WIRRAL HIGH SCHOOL	220000	-£18,216.00	-£13,662.00
70010926	BEBINGTON HIGH SCHOOL	220000	-£18,216.00	-£13,662.00
70010936	RIDGEWAY HIGH SCHOOL	186000	-£15,400.80	-£11,550.60
70037727	ST ANSELMS COLLEGE SPORTS GROUND	4150	-£343.62	-£257.72
70037728	UPTON HALL SCHOOL	280000	-£23,184.00	-£17,388.00
70037730	DAY NURSERY ADJ ST PETERS PRIMARY	2300	-£182.49	-£136.87
70037733	PLEASINGTON HIGH SCHOOL	397500	-£32,913.00	-£24,684.75
70037735	OUR LADY OF PITY PRIMARY S ANNEXE	5700	-£311.75	-£233.81
70037737	ST ANDREWS AIDED C OF E PRIMARY	38500	-£3,187.80	-£2,390.85
70037740	ST MARYS COLLEGE	257500	-£21,321.00	-£15,990.75
70037741	WOODCHURCH C OF E SCHOOL	23000	-£1,904.40	-£1,428.30
70037742	PRIORY C OF E PRIMARY SCHOOL	21500	-£1,780.20	-£1,335.15
70037743	OXTON ST SAVIOURS C OF E SCHOOL	22500	-£1,863.00	-£1,397.25
70037744	ST PETER & PAUL SCHOOL	21000	-£1,738.80	-£1,304.10
70037745	ST PETERS COMBINED SCHOOL	20000	-£1,548.62	-£1,161.47
70037746	ST PETERS C OF E PRIMARY SCHOOL	34750	-£2,877.30	-£2,157.98
70037747	ST PAULS R C PRIMARY SCHOOL	14250	-£1,115.50	-£836.63
70037748	ST MICHAEL & ALL ANGELS RC PRIMARY	19500	-£1,701.36	-£1,276.02
70037749	ST LAURENCES JUNIOR SCHOOL	14250	-£1,180.95	-£885.71
70037750	ST JOSEPHS R C PRIMARY SCHOOL	39750	-£3,203.59	-£2,402.69
70037751	ST JOSEPHS R C PRIMARY SCHOOL	22250	-£1,842.30	-£1,381.73
70037752	ST JOSEPHS RC PRIMARY SCHOOL	40500	-£3,353.40	-£2,515.05
70037753	ST JOHNS JUNIOR SCHOOL	21250	-£1,737.11	-£1,302.83
70037754	ST JOHNS R C INFANT SCHOOL	19000	-£1,573.20	-£1,179.90
70037756	ST ANNES R C AIDED PRIMARY SCHOOL	20000	-£1,724.69	-£1,293.52
70037757	ST ALBANS R C PRIMARY SCHOOL	35500	-£2,939.40	-£2,204.55
70037758	SACRED HEART R C PRIMARY SCHOOL	29250	-£2,421.90	-£1,816.43
70037759	OUR LADY & ST EDWARDS SCHOOL	20000	-£1,495.26	-£1,121.45
70037760	OUR LADY OF PITY PRIMARY SCHOOL	27750	-£2,297.70	-£1,723.28
70037761	OUR LADY OF LOURDES PRIMARY SCHOOL	13000	-£1,004.20	-£753.15
70037762	LADYMOUNT RC AIDED PRIMARY SCHOOL	28250	-£2,333.81	-£1,750.36
70037763	HOLY CROSS R C PRIMARY SCHOOL	49250	-£3,937.18	-£2,952.89
70037765	DAWPOOL C OF E PRIMARY SCHOOL	21000	-£1,738.80	-£1,304.10
70037766	CHRIST THE KING PRIMARY SCHOOL	34750	-£2,877.30	-£2,157.98
70037767	CHRISTCHURCH C OF E PRIMARY SCHOOL	43750	-£3,622.50	-£2,716.88

70033073	ST WERBURGHS RC AIDED PRIMARY	24500	-£2,907.36	-£2,180.52
70037725	ST ANSELMS COLLEGE	206000	-£14,800.94	-£11,100.71
Totals			-£357,098.88	-£267,824.16