

APPENDIX B

Schools Funding Forum 21st March 2013

School Business Rates

The Council is changing its policy on awarding discretionary rate relief from 1st April 2013.

The current position is as follows:

The following categories of school receive 80% mandatory relief by means of their charitable status:

- Voluntary Aided
- Voluntary Controlled
- Foundation
- Academy

Traditionally, Havering Council has awarded discretionary rate relief at 20% to all of the above categories with the exception of Foundation.

This has been achieved at no cost to the Council. The mandatory relief was reclaimable from central government as was 25% of the discretionary relief. The other 75% was charged to a budget that was top sliced from the DSG. This released additional funds back into the overall DSG for the benefit of schools.

From April 2013 the way that Councils receive their funding from central Government will change to a system that includes an element of business rates retention. This means that any rate relief will have a direct impact on business rate yield to the Council. It is shared as follows:

- Central Government 50%
- The Council 30%
- Greater London Authority 20%

For every school that has mandatory relief or discretionary relief the Council will have a reduction of 30% of the value of the business rate retention element of its annual funding.

Councils have no influence on mandatory relief but do on discretionary relief. The Council is therefore being asked to approve a policy that will cease the awarding of discretionary relief to certain groups including educational establishments from 1st April 2013.

There will be no financial impact on individual schools or academies of this change because the funding formula allocates funding at an amount equivalent to the rates charge.

Those schools and academies that have previously received an NNDR allocation of zero in their budgets will, from April 2013 receive a budget that is 20% of the value of the rates charge. This will apply to the following schools:

SCHOOLS

Dame Tipping CE Primary	776
La Salette RC Primary	2,755
St. Alban's RC Primary	3,415
St. Edward's CEVA Primary	8,151
St. Joseph's RC Primary	5,499
St. Mary's RC Primary	5,843
St. Patrick's RC Primary	4,380
St. Peter's RC Primary	2,473
St. Ursula's RC Infant	3,412
St. Ursula's RC Junior	3,412
Upminster Infant	4,272
Upminster Junior	4,272

ACADEMIES

Abbs Cross Arts College	24,452
Albany	20,818
Bower Park	21,015
Brittons Technology College	22,488
Campion RC for Boys	27,251
Coopers' Company and Coborn	35,409
Drapers Academy	15,221
Emerson Park	22,291
Frances Bardsley for Girls	45,172
Hall Mead	22,881
Redden Court	24,796
Sacred Heart of Mary for Girls	27,742
St. Edward's CE Comprehensive	33,143
	<u>391,337</u>

Whereas in previous years it would have been possible to reclaim 25% of this cost (£98k) from central Government and charge 75% (£293k) to a central budget top sliced from the DSG, from April 2013 the full amount will need to be allocated to schools and academies.

The DSG will continue to benefit from the cost of additional mandatory rate relief from academy conversions but the Council overall will lose through the revised Council funding arrangements.