



POLICY AND RESOURCES SCRUTINY COMMITTEE - 30TH SEPTEMBER 2014

SUBJECT: DISCRETIONARY RATE RELIEF APPLICATIONS

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151
OFFICER**

1. PURPOSE OF REPORT

1.1 This report sets out details of an application for discretionary rate relief and notes the decision proposed by the Interim Head of Corporate Finance under delegated powers.

2. SUMMARY

2.1 The Council is able to assist a wide range of voluntary and sporting organisations by granting rate relief. This report contains details of applications received for discretionary rate relief and the proposals for the determination of the applications to be formally implemented on the 7th day of October 2014.

3. LINKS TO STRATEGY

3.1 The granting of rate relief is a very cost effective way in which the Council can pursue its Regeneration objective by giving financial assistance to local organisations.

4. THE REPORT

4.1 BACKGROUND

4.1.1 Under the Council's Scheme of Delegation applications for discretionary rate relief submitted to the Council are determined by the Council's Head of Corporate Finance.

4.1.2 The determination is exercised following consideration of the Council's Policy on discretionary rate relief supplemented by guidance from Welsh Government and Central Government.

4.2 THE APPLICATIONS

Media Force Marketing Ltd

4.2.1 An application for discretionary rate relief has been received from the above social enterprise company limited by guarantee in respect of its premises at Unit 12C (First Floor) Greenway, Bedwas House Industrial Estate, Bedwas from 1st June 2014 onwards.

4.2.2 The organisation is currently in receipt of some Small Business Rate Relief (SBRR); however, if it is awarded discretionary rate relief, the SBRR will be replaced by the discretionary relief in accordance with rating legislation.

- 4.2.3 Members should be aware that currently the Authority would bear 10% of any discretionary rate relief awarded, with the Welsh Government Pool bearing the remaining 90%.
- 4.2.4 To be eligible for discretionary rate relief, the organisation must satisfy the following conditions:
- a) the organisation or institution occupying the premises must not be established or conducted for profit; and
 - b) each of the organisation's main objects must be charitable, or otherwise philanthropic or religious, or concerned with education, social welfare, science, literature, or fine arts.
- 4.2.5 The objects of Media Force Marketing Limited is to:
- Help and support disadvantaged personnel/ long-term injured/ veterans who are interested in working in the world of Design, Print and Web IT, getting back into work or starting a new career with recognised training programs.
- 4.2.6 The Company's Memorandum and Articles of Association state that the income and property of the Company shall be solely applied towards the promotion of the objects and no part shall be paid by way of dividend, bonus or otherwise by way of profit, to members of the Company. Likewise, no director shall receive a salary or fees or any other benefit in money from the Company except for reasonable expenses incurred in carrying out their duties.
- 4.2.7 The Memorandum & Articles of Association also states that in the event of the dissolution or winding-up of the Company, after the satisfaction of all its debts and liabilities, the assets remaining shall not be distributed among the members but shall be transferred in the furtherance of the Objects to any organisation having objects similar to or compatible with the Objects and which shall prohibit the distribution of its or their income and property amongst its or their members to an extent at least as great as is imposed on the Company as outlined in 4.2.6. or in so far as the assets are not transferred, shall be held for charitable purposes.
- 4.2.8 The organisation states that it is committed to ensuring every person that has a placement with it gains the relevant experience and qualification needed to improve their career prospects within the media sector.
- 4.2.9 The company has been set up specifically to carry out the objects given in point 4.2.5 and 4.2.6 above and therefore the organisation is clearly not established or conducted for profit. In addition, the organisation's main objects are either wholly or mainly charitable, or concerned with philanthropy and education, as required under the regulations.
- 4.2.10 This Authority's Economic Development Section has previously awarded the company a Social Enterprise Grant. The company has advised that any rate relief it may receive will not result in the amount of de minimis State Aid it receives exceeding 200,000 Euros during the current and previous 2 financial years.
- 4.2.11 The current business rate liability of the organisation's premises in Bedwas is £3191 and the cost to the Authority of awarding discretionary relief at current levels would be £319, with the Welsh Government pool bearing the remainder of £2872.
- 4.2.12 It has previously been the policy of the Authority to award discretionary relief to similar training organisations, for example, Young Wales Ltd and Groundwork Caerphilly.
- 4.2.13 Taking the above matters into consideration, it appears that the organisation 'Media Force Marketing Limited' and its use of the premises satisfy all of the relevant qualifying criteria.
- 4.2.14 **Proposal (to be implemented on 7th day of October 2014):
100% discretionary rate relief be awarded.**

5. EQUALITIES IMPLICATIONS

- 5.1 This report is to advise Members of the proposed determination of the application(s) for discretionary rate relief so the Council's full Equalities Impact Assessment process does not need to be applied.

6. FINANCIAL IMPLICATIONS

- 6.1 These are contained within the report.

7. PERSONNEL IMPLICATIONS

- 7.1 There are no personnel implications.

8. CONSULTATIONS

- 8.1 There are no consultation responses which have not been reflected in this report.

9. RECOMMENDATIONS

- 9.1 Members note the proposed determination of the application for discretionary rate relief under delegated powers which will be implemented on the 7th day of October 2014.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 As set out throughout the report.

11. STATUTORY POWER

- 11.1 Section 47 of the Local Government Finance Act 1988.

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Background Papers:
Rate Relief Application Forms, contact ext 3421