



POLICY AND RESOURCES SCRUTINY COMMITTEE - 11TH NOVEMBER 2014

SUBJECT: DISCRETIONARY RATE RELIEF APPLICATIONS

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES & 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 18th day of November 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

Wales Co-operative Development and Training Centre Ltd

- 4.2.1 An application for discretionary rate relief has been received from the above-named social enterprise in respect of its premises at Unit C, Y Borth, 13 Beddau Way, Caerphilly from 1st May 2014 onwards.
- 4.2.2 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%.

- 4.2.3 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 organisations main objects must be charitable, or otherwise philanthropic or religious, or concerned with education, social welfare, science, literature, or fine arts.
- 4.2.4 The objects of the Wales Co-operative Development and Training Centre Ltd are to:-
- Carry on as a bona fide co-operative society for the benefit of its members, i.e. the community in Wales, the provision of professional training and educational services to promote, establish, develop and support co-operative enterprise, and any related industry, business or trade activities determined by the Management Board.
- 4.2.5 The Company's Rules state that the profits of the Company shall be used for the continuation and development of the Co-operative; for the benefit of the community, or a section of the community in Wales; and in furtherance of the objects of the Co-operative.
- 4.2.6 The Rules also state that, on the dissolution or winding-up of the Co-operative, any assets remaining would be used for the benefit of the community in Wales as a whole. This satisfies the discretionary rate relief requirement for remaining assets to be used for charitable or non-profit making purposes.
- 4.2.7 The organisation states that the Wales Co-Operative Development and Training Centre is a co-operative development agency working across Wales to promote social, financial and digital inclusion, through a range of projects. Digital inclusion is about people improving their lives, by being able to communicate more easily through access to the internet. It enables people to be able to purchase goods, for lower prices and have access to public services. Digital inclusion is also about reducing social isolation and people being able to benefit as citizens and consumers.
- 4.2.8 The organisation has helped communities develop businesses or projects that value people and the environment, as much as profit. It provides specialist business support for social enterprises and co-operatives, carries out financial inclusion initiatives, and delivers the Welsh Government's comprehensive digital inclusion initiative, Communities 2.0 (helps communities and small enterprises make the most of the internet).
- 4.2.9 Membership is open to all who sign the application for registration, and who live or work or have interests within Wales, including any society, company or other corporate body with interests within Wales. Applications must be approved by the Management Board. Members are required to retain a £1.00 share in the Centre but no membership fee is payable.
- 4.2.10 With its partnership between 'Communities 2.0' and Caerphilly County Borough Council (Get Caerphilly Online), the Company developed a 'Digital Fridays' scheme in local libraries. Sessions were aimed at people who had little or no experience, or who had a new laptop or tablet but were unable to use them correctly. The people could visit the sessions held in local libraries to speak to a tutor who would help them with their device, or introduce them to the Internet. This approach has since been replicated in other areas across Wales.
- 4.2.11 Through its work on financial inclusion, the Wales Co-Operative Development and Training Centre has helped the residents of Caerphilly County Borough to have access to fair and appropriate financial services. In particular, the organisation has worked closely with Caerphilly County Borough Council and Smart Money Credit Union Ltd to promote the use of credit union rent accounts to tenants living in privately let homes, who were vulnerable due to rent arrears and who lacked financial skills.

- 4.2.12 The Company has also benefitted Caerphilly County Borough residents by assisting social businesses such as 'Helping Hands' in Rhymney, 'Crafts for Everyone' in Crumlin and 'Greencap Ltd' in Caerphilly.
- 4.2.13 The company has been set up specifically to carry out the objects given in point 4.2.4 above and is not established or conducted for profit. In addition, the organisation's main objects are either wholly or mainly charitable, or concerned with philanthropy, social welfare and education, as required under the regulations.
- 4.2.14 The Company relies largely on grants and contract income from Welsh Government and the European Regional Development Fund grant, however, none of this is classed as De Minimis state aid. The company has advised that it has not received any De Minimis state aid during the current and previous 2 financial years, therefore it is eligible to receive discretionary rate relief in respect of this application.
- 4.2.15 The current business rate liability of the organisation's premises in Caerphilly is £23,877 and, if the Authority were to grant 100% rate relief, the cost to the Authority of awarding discretionary relief at current levels would be £2,388 with the Welsh Government pool bearing the remainder of £21,489.
- 4.2.16 The Authority's current policy allows for between 20% and 100% discretionary relief to be awarded in such cases. In practice, it has been the policy to award 100% relief where the relevant criteria are satisfied, unless the organisation matches a specific category defined within the policy; for example, sporting and recreational clubs with bar facilities, where the rateable value of the organisation's premises is below £5,000, in which case 50% relief is awarded.
- 4.2.17 Taking the above matters into consideration, it appears that the organisation known as the 'Wales Co-Operative Development and Training Centre Limited' and its use of the premises satisfies all of the relevant qualifying criteria.
- 4.2.18 **Proposal (to be implemented on 18th day of November 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 18th day of November 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