



POLICY AND RESOURCES SCRUTINY COMMITTEE – 14TH APRIL 2015

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 applications 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 21st day of April 2015.

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

Greyhound Rescue Wales Ltd

- 4.2.1 An application for top-up discretionary rate relief has been received from the above registered charity in respect of their charity shop at 173 High Street Blackwood, NP12 1AA from 6th October 2014 onwards.
- 4.2.2 The organisation is a registered charity and has therefore already been awarded 80% mandatory rate relief in accordance with rating legislation.

- 4.2.3 Members should be aware that currently the Authority would bear 75% of any top-up discretionary rate relief awarded, with the Welsh Government Pool bearing the remaining 25%.
- 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 Greyhound Rescue Wales' main objects are:
- To promote the welfare and relieve the suffering of greyhounds and greyhound cross breeds in need of care and attention, and in particular to provide and maintain rescue homes or other facilities for the reception, care and treatment of such animals.
 - To promote humane behaviour towards animals by providing appropriate care, protection, treatment and security for greyhounds and greyhound cross breeds which are retired, unwanted or in need of care and attention by reason of sickness, poor circumstances or ill usage, and to educate the public in matters pertaining to animal welfare in general and the prevention of cruelty and suffering among animals. The animals are placed in such permanent homes as the Executive Committee may consider appropriate.
- 4.2.6 The organisation's articles state that the income and property of the charity shall be applied solely towards the promotion of the charity's objects.
- 4.2.7 The constitution also states that, on the dissolution of the charity, any assets remaining would be used firstly to meet any liabilities and then directly for the organisation's objects and by transfer to any other charity for the same or similar purposes. This satisfies the discretionary rate relief requirement for remaining assets to be used for charitable or non-profit making purposes.
- 4.2.8 Membership is open to individuals over eighteen or organisations approved by the charity's trustees interested in furthering the work of the charity. Membership fees range from £10 per annum for an unwaged person (£15 for a household) to £20 per annum for a waged person (£25 for a household).
- 4.2.9 The charity has been set up specifically to carry out the objects given in point 4.2.5 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.
- 4.2.10 The current annual business rate liability of the organisation's premises in Pontllanfraith is £8,041 and, if the Authority were to grant 20% top-up discretionary rate relief, the cost to the Authority of awarding the relief at current levels would be £1,206 with the Welsh Government pool bearing the remainder of £402.
- 4.2.11 The Authority's policy for an organisation registered as a charity with the Charity Commission and occupying one or more rating assessments within the Authority's area with a cumulative rateable value not exceeding £100,000 is to award 20% top-up discretionary relief.
- 4.2.12 Taking the above matters into consideration, it appears that the 'Greyhound Rescue Wales' and its use of the premises satisfies all of the relevant qualifying criteria.
- 4.2.13 **Proposal (to be implemented on 21st day of April 2015):
20% top-up discretionary rate relief be awarded.**

Career Choices Dewis Gyrfa Ltd

- 4.2.14 An application for mandatory rate relief and top-up discretionary rate relief has been received from the above organisation which is better known as 'Gyrfa Cymru Careers Wales' in respect of their four premises at:
- The Twyn Cardiff Road, Caerphilly, CF83 1JL
 - Castle House, Southern Street, Caerphilly CF83 1JL
 - 57 High Street, Blackwood, NP12 1BA
 - Abacus House, 44 Windsor Street, Caerphilly CF83 1FW.
- 4.2.15 The organisation is not a registered charity but has provided a letter from HM Revenue & Customs confirming that it is 'a not-for-profit organisation which does not amount to trade and therefore is not liable to corporation tax'. As the organisation has been granted an exemption from taxes under the provisions of Section 505 of the Income and Corporation Taxes Act 1988, it is to be regarded as if it were a charity and has therefore been awarded 80% mandatory rate relief in accordance with rating legislation.
- 4.2.16 Members should be aware that currently the Authority would bear 75% of any top-up discretionary rate relief awarded, with the Welsh Government Pool bearing the remaining 25%.
- 4.2.17 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.
- 4.2.18 The organisation's objects state that it is to provide a comprehensive career, education and guidance service to individuals and organisations, linking education and business, utilising powers under various acts of Parliament such as the Employment and Training Act 1973 and the Education Act 2002.
- 4.2.19 Careers Choices Dewis Gyrfa Ltd is a wholly-owned subsidiary of the Welsh Government which was formed on 1st April 2013. It delivers a remit set by the Minister for Education and Skills. It provides free to all careers advice and guidance. The overall focus for its service is to help people make effective decisions and become independent in managing their careers. This includes making realistic career decisions and ensuring successful progression and positive outcomes for individuals, including appropriate training, further learning or employment, thereby contributing to the economic and social well-being of Wales.
- 4.2.20 The organisation is involved in facilitating links between employers, schools and colleges to enrich students' understanding of the world of work; it also helps to deliver projects such as Jobs Growth Wales and the Apprentice Matching Service.
- 4.2.21 The organisation's articles state that the income and property of the charity shall be applied solely towards the promotion of the charity's objects.
- 4.2.22 The articles also state that, on the dissolution of the company, any assets remaining would be used firstly to meet any liabilities and then, if any surplus remains, it would be transferred to any other charity for the same or similar purposes. This satisfies the discretionary rate relief requirement for remaining assets to be used for charitable or non-profit making purposes.
- 4.2.23 The company has been set up specifically to carry out the object given in point 4.2.18 above and is not established or conducted for profit. In addition, the organisation's main object is either wholly or mainly charitable, or concerned with philanthropy, social welfare and education, as required under the regulations.

4.2.24 The Authority's policy for an organisation registered as a charity with the Charity Commission, or qualifying to be treated as a charity, and occupying one or more rating assessments within the Authority's area with a cumulative rateable value not exceeding £100,000 is to award 20% top-up discretionary relief.

4.2.25 The current annual business rate liabilities of the organisation's premises are as follows:

- £9,342 for The Twyn, Cardiff Road, Caerphilly and, if the Authority were to grant 20% top-up discretionary rate relief, the cost to the Authority of awarding the relief at current levels would be £1401 with the Welsh Government pool bearing the remainder of £467;
- £8,632 for Castle House, Southern Street, Caerphilly and, if the Authority were to grant 20% top-up discretionary rate relief, the cost to the Authority of awarding the relief at current levels would be £1295 with the Welsh Government pool bearing the remainder of £432;
- £11,825 for Abacus House, 44 Windsor Street, Caerphilly and, if the Authority were to grant 20% top-up discretionary rate relief, the cost to the Authority of awarding the relief at current levels would be £1,774 with the Welsh Government pool bearing the remainder of £591;
- £4,730 for 57 High Street, Blackwood and, if the Authority were to grant 20% top-up discretionary rate relief, the cost to the Authority of awarding the relief at current levels would be £710 with the Welsh Government pool bearing the remainder of £236.

4.2.26 Taking the above matters into consideration, it appears that the organisation known as the 'Careers Choices Dewis Gyrfa Ltd' and its use of the premises, totalling £73,000 rateable value, satisfies all of the relevant qualifying criteria.

**4.2.27 Proposal (to be implemented on 21st day of April 2015):
20% top-up discretionary rate relief be awarded.**

Include Limited

4.2.28 An application for top-up discretionary rate relief has been received from the above registered charity in respect of their two premises at:

Suite 1, Ground Floor, Block C, Van Court, Caerphilly, CF83 3ED from 1st September 2014 onwards.

Suite 2, First Floor, Block C, Van Court, Caerphilly, CF83 3ED from 1st September 2014 onwards.

4.2.29 The organisation is a registered charity and has therefore already been awarded 80% mandatory rate relief in accordance with rating legislation.

4.2.30 Members should be aware that currently the Authority would bear 75% of any top-up discretionary rate relief awarded, with the Welsh Government Pool bearing the remaining 25%.

4.2.31 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.

4.2.32 Include Limited's main objects are:

- To advance the education of the public by all charitable means.
- To further the formal and informal education of the public, particularly of those up to eighteen years and particularly by providing an educational environment instruction and teaching within a context of spiritual truths and moral values.
- To promote the establishment and running of schools, colleges, courses pastoral and personal training, counselling colloquia and supportive networks particularly those dedicated to the whole development of the child's potential personally, socially, academically, spiritually, economically, and with due reference to their employability, skills enhancement, family relationships and other such supportive groupings.

4.2.33 The organisation's articles of association state that the income and property of the charity shall be applied solely towards the promotion of the charity's objects.

4.2.34 The articles also state that, on the dissolution of the charity, any assets remaining would be used firstly to meet any debts and liabilities before being given or transferred to some other charitable institution for the same or similar purposes. This satisfies the discretionary rate relief requirement for remaining assets to be used for charitable or non-profit making purposes.

4.2.35 Include is a charity that provides alternative full-time education for students who cannot be maintained in mainstream educational settings. All students will have behavioural and emotional difficulties. Include has links with all the relevant services - social services, youth offending services and mental health services - providing educational programmes and inclusive opportunities for the most difficult group of students within the Caerphilly County Borough area. All projects are directly funded by the local education authority via Inclusion Services.

4.2.36 The charity has been set up specifically to carry out the objects given in point 4.2.32 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.

4.2.37 The current annual business rate liabilities of the organisation's premises are as follows:

- £18,447 for Suite 1, Ground Floor, Block C, Van Court, Caerphilly and, if the Authority were to grant 20% top-up discretionary rate relief, the cost to the Authority of awarding the relief at current levels would be £2,768 with the Welsh Government pool bearing the remainder of £922;
- £18,210 for Suite 2, First Floor, Block C, Van Court, Caerphilly and, if the Authority were to grant 20% top-up discretionary rate relief, the cost to the Authority of awarding the relief at current levels would be £2,732 with the Welsh Government pool bearing the remainder of £910;

4.2.38 The Authority's policy for an organisation registered as a charity with the Charity Commission and occupying one or more rating assessments within the Authority's area with a cumulative rateable value not exceeding £100,000 is to award 20% top-up discretionary relief.

4.2.39 Taking the above matters into consideration, it appears that the 'Include Limited' and its use of the premises, totalling £77,500 rateable value, satisfies all of the relevant qualifying criteria.

**4.2.40 Proposal (to be implemented on 21st day of April 2015):
20% top-up 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(s) for discretionary rate relief under delegated powers which will be implemented on the 21st day of April 2015.

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.

Author: John Carpenter, Council Tax & NNDR Manager
Tel: 01443 863421 E-mail: carpewj@caerphilly.gov.uk

Consultees: Cllr B Jones, Deputy Leader & Cabinet Member for Corporate Services
Nicole Scammell, Acting Director of Corporate Services & Section 151 Officer
Stephen Harris, Interim Head of Corporate Finance

Background Papers:
Rate Relief Application Forms, contact ext 3421