

GRANTS TO THE VOLUNTARY SECTOR PANEL - 21ST SEPTEMBER 2009

SUBJECT: DISCRETIONARY RATE RELIEF – NEW CRITERIA IN RESPECT OF APPLICATIONS

REPORT BY: DIRECTOR OF CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 The following application for rate relief have been determined by the Head of Corporate Finance under delegated powers (Scheme of Delegation Item 5.2(t) refers).
- 1.2 In arriving at her determination the Head of Corporate Finance has been guided by Council policy laid down by the former Finance Committee on 14th February 1996 and 30th April 1996, together with Welsh Office criteria for considering such applications.

2. SUMMARY

- 2.1 The Council is able to assist a wide range of voluntary and sporting organisations by granting rate relief. This report deals with recent applications.

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. FINANCIAL IMPLICATIONS

4.1 Two Distribute Foundation

- 4.1.1 The applicants are a registered charity who have therefore been awarded 80% mandatory rate relief in accordance with statutory provisions.
- 4.1.2 The charity was established in June 2009 to receive donations from its trading subsidiary Two Distribute Ltd and to carry out fund raising activities.
- 4.1.3 The application relates to the Foundation's premises at the De Clare Industrial Estate in Caerphilly which is used both as administrative offices and for warehousing.
- 4.1.4 To achieve the charity's objections its trading subsidiary purchases spring water and other non-alcoholic beverages from manufactures which are then stored in the warehouse element of the premises prior to sale and distribution to shops and supermarket stores.
- 4.1.5 All profits derived from the sale of drinks are then paid on to the charity which then donates the proceeds to the One Foundation which itself is a registered charity which provides funding for various projects designed to produce clean water in Africa.
- 4.1.6 The current annual rate liability of the charity's premises is £1980 and the cost to the Authority

of awarding 20% discretionary rate relief would be £299 with the Welsh Assembly Government bearing the remainder of £99.

- 4.1.7 Two Distribute Foundation obtains its funding from donations made by its subsidiary through profits on sales of drinks and also from organised fundraising activities and events such as golf days, sponsored swim, bungee jumping.
- 4.1.8 The Authority has previously awarded discretionary top up relief to charities providing funding for overseas projects and missions however, such relief has been awarded in respect of their charity shops established for the sale of donated goods clothing and books. In essence the operation of the charity shops can be said to provide direct benefit to members of the local community as they are able to make purchases from the shop and also help assist causes of their choice.
- 4.1.9 Examples of rate relief currently being awarded to charity shops of organisations supporting foreign causes are:-
- Everyone's Child Romania in Fleur De Lys where all income derived from charity shop sales is used to provide funding for AIDS relief and respite care in Romania.
 - Moriah Christian Fellowship in Ystrad Mynach where part of the income derived from sales is used to support global charities and mission work.
 - This application is different in so far as it does not appear to have any direct link with the Caerphilly County Borough.

5. PERSONNEL IMPLICATIONS

- 5.1 There are no personnel implications.

6. CONSULTATIONS

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

7. RECOMMENDATIONS

- 7.1 Members note the application and determine whether they want to support bearing in mind this will create a new criteria and set a precedent to fund similar organisations.

8. REASONS FOR THE RECOMMENDATIONS

- 8.1 To assist local voluntary organisations.

9. STATUTORY POWER

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

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