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**Date: 22nd January 2020**

Dear Sir/Madam,

A meeting of the **Cabinet** will be held in the **Sirhowy Room, Penallta House, Tredomen, Ystrad Mynach** on **Wednesday, 29th January, 2020** at **10.30 am** to consider the matters contained in the following agenda. You are welcome to use Welsh at the meeting, a minimum notice period of 3 working days is required should you wish to do so. A simultaneous translation will be provided if requested.

All Committee meetings are open to the Press and Public, observers and participants are asked to conduct themselves with respect and consideration for others. Please note that failure to do so will result in you being asked to leave the meeting and you may be escorted from the premises.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'CHARRY'.

**Christina HARRY**  
INTERIM CHIEF EXECUTIVE

## A G E N D A

- 1 To receive apologies for absence.
- 2 Declarations of Interest.

Councillors and Officers are reminded of their personal responsibility to declare any personal and/or prejudicial interest(s) in respect of any item of business on the agenda in accordance with the Local Government Act 2000, the Council's Constitution and the Code of Conduct for both Councillors and Officers.

A greener place Man gwyrddach



To approve and sign the following minutes: -

3 Cabinet held on 15th January 2020. 1 - 8

To note the Cabinet Forward Work Programme.

4 Cabinet Forward Work Programme. 9 - 10

To receive and consider the following reports on which executive decisions are required: -

5 Update on Reserves. 11 - 22

6 Targeted Regeneration Investment Thematic Grant. 23 - 30

7 To Determine a Specific Discretionary Rate Relief Scheme in Respect of Welsh Government (WG) 2019/20 Grant Funding. 31 - 58

**Circulation:**

Councillors C.J. Cuss, N. George, C.J. Gordon, Mrs B. A. Jones, P.A. Marsden, S. Morgan, L. Phipps and Mrs E. Stenner,

And Appropriate Officers.

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## CABINET

### MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, TREDOMEN ON WEDNESDAY, 15TH JANUARY 2020 AT 10.30 A.M.

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#### PRESENT:

Councillor P. Marsden - Chair

#### Councillors:

C. Cuss (Social Care and Well Being), N. George (Environment and Neighbourhood Services), C.J. Gordon (Corporate Services), Mrs B. Jones (Education and Achievement) S. Morgan (Regeneration, Transportation and Sustainability), L. Phipps (Homes, Places and Tourism) and E. Stenner (Finance, Performance and Planning).

#### Together with:

C. Harry (Interim Chief Executive), R. Edmunds (Corporate Director – Education and Corporate Services), D. Street (Corporate Director – Social Services and Housing) and M.S. Williams (Interim Corporate Director – Communities).

#### Also in Attendance:

S. Couzens (Chief Housing Officer), R. Hartshorn (Head of Public Protection, Community & Leisure Services), P. Hudson (Business Enterprise Renewal Team Leader), H. Jones (Waste Strategy and Operations Manager), R. Kyte (Head of Regeneration and Planning), J. Roberts-Waite (Strategic Coordination Manager), S. Harris (Interim Head of Business Improvement Services and Acting S151 Officer), R. Tranter (Head of Legal Services and Monitoring Officer) and C. Evans (Committee Services Officer).

#### 1. **APOLOGIES FOR ABSENCE**

There were no apologies for absence received.

#### 2. **DECLARATIONS OF INTEREST**

Following clarification from the Monitoring Officer in relation to Cllr Barbara Jones, there were no declarations of interest.

#### 3. **CABINET – 11TH DECEMBER 2019**

RESOLVED that the minutes of the meeting held on 11th December 2019 were approved as a correct record.

#### **4. CABINET FORWARD WORK PROGRAMME – TO NOTE**

Cabinet were provided with the Cabinet Forward Work Programme, which detailed the scheduled reports from 15th January 2020 to 10th June 2020. Members were reminded that the Cabinet Forward Work Programme is a working document and therefore subject to change.

The Interim Chief Executive advised Cabinet that the Corporate Volunteering report, which was scheduled for 29th January 2020 was to be deferred, and a further meeting date be scheduled shortly.

A Member requested that the responsible Cabinet Member be changed for Consultation and Engagement Strategy report. Officers agreed to update this accordingly.

Following consideration and discussion, it was moved and seconded that the Forward Work Programme be noted. By a show of hands this was unanimously agreed.

RESOLVED that subject to the aforementioned amendment, the Cabinet Forward Work Programme be noted.

#### **MATTERS ON WHICH EXECUTIVE DECISIONS WERE REQUIRED**

#### **5. WASTE AND RECYCLING COLLECTION SYSTEMS**

The report advised Cabinet of the findings of the Regeneration and Environment Scrutiny Committee Waste Review Working Group and sought Cabinet approval for recommendations relating to the Authority's waste and recycling services.

Cabinet noted that the Authority has been actively engaged in Welsh Government's Collaborative Change Programme (CCP) since 2015. A series of reviews have been undertaken by Waste Resources Action Programme (WRAP) and their appointed consultants on a key range on waste management services including kerbside collection services, household waste recycling centre provision and waste transfer station/depot infrastructure.

In 2018 Regeneration and Environment Scrutiny Committee established a cross party Waste Review Working Group to make recommendations regarding the future of waste and recycling services in the county borough. The Working Group findings were reported to the meeting of Regeneration and Environment Scrutiny Committee on 12th February 2019 when the Committee made a number of recommendations to Cabinet. The Committee's recommendations to Cabinet regarding waste collection and recycling systems have been developed further and Cabinet approval is now sought for the Recommendations in section 3 of the Officers Report.

Officers explained that that currently all households in the borough receive a weekly co-mingled dry recycling collection, using a fleet of 9 standard Refuse Collection Vehicles (RCVs) to provide this service along with a smaller tipper vehicle to collect from areas of restricted access. The dry recycling vehicles offload at the authority's bulking station prior to material being sent for sorting to a Materials Recycling Facility (MRF), which is based in Warwickshire. Officers explained that there are risks associated with the current service, largely related to the volatility of the market and quality of materials being presented by the householder.

Cabinet were asked to note that a number of measures have been implemented over previous years in order to improve the quality of recycling including the distribution of leaflets, door-stepping campaigns and warning stickers to encourage participation. As a result, the Authority has exceeded targets of 58% in 2015-16 and the increased target of 64% in 2019/21, however, it was felt that further work would be required in order to meet the increase target of 70% in 24/25. Further concerns were raised as a result of an estimated recycling

target of 80% by 2034/35 and as a result, Welsh Government (WG), along with WRAP have developed a “Blue Print” system which includes a ‘kerbside sort’ in which households sort the materials into boxes prior to collection, weekly separate collection of food waste and fortnightly collection of residual waste.

It was noted that the Waste Review Working Group, having been provided with extensive details of the Blueprint, were not in support of this option, and whilst there are risks identified, which were detailed within the Officers Report, recommended that Cabinet support the recommendation to maintain the current co-mingled collection system. In addition, it was noted that Rhondda Cynon Taff (RCT) County Borough Council is in the process of developing a Materials Recycling Facility (MRF) in close proximity to the border at Llwydcoed. RCT has a similar demographic and system to Caerphilly and as a result, a collaboration is being explored.

Cabinet thanked Officers for the report and discussion ensued.

Members sought further information on the collaboration with RCT and whether there would be any form of ‘get out clause’ written into the terms and conditions of the contract. Officers explained that the process is still in the discussion stage and the term of the contract is to be determined, however, officers will incorporate within the agreement during the legal and procurement processes.

In discussing the contract, Members queried the length of the contract and it was noted that a 10 year term has been proposed as a result of the similarity of the authorities and positive working relationships currently in place. In addition, it was noted that shorter contracts could be implemented; however the procurement process can be long and could cause service disruption.

In expressing that the Labour manifesto made a commitment maintain the waste collection service, sought clarification that there would be no change to the method of collection as a result of using the MRF at RCT. Officers explained that there would be no change to the method of collection, but there may be some changes to the logistics of the service, however this would have no noticeable impact on residents. It was noted however that there would be a number of costs incurred to move to the Blue Print, including the implementation of the kerbside boxes and change in the fleet to accommodate the new system.

Cabinet discussed the need to provide additional education and enforcement to meet the increasing targets set by WG over coming years and it was queried where the education would be targeted, as it was felt that a whole authority approach may not be necessary. Officers explained that resources will be targeted in areas in which the biggest difference can be made. Further discussions took place in which Members requested examples of authorities in which education and enforcement has had an impact on performance and officers agreed to provide details from Swansea and any other Local Authorities in which this has been successful.

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officer's report: -

- i) the current kerbside collection system for co-mingled (mixed) materials be retained (subject to continuous satisfactory performance attainment and market sustainability);
- ii) that officers bring forward a further report detailing education and enforcement solutions in order to improve the quality of materials and increase participation in recycling services;

- iii) the frequency of residual waste collection be reviewed in the light of actual and projected recycling performance following implementation of the Working group's recommendations, noting that there would be a lead-in time to any changes and having regard to the requirement to meet the statutory recycling target of 70% in 2024/2025;
- iv) that, subject to agreement of a Memorandum of Understanding, the Authority's responsibility for the treatment of dry recyclables be delegated to Rhondda Cynon Taff County Borough Council under Section 101 of the Local Government Act 1972 and section 19 of the Local Government Act 2000 with effect from 1st April 2020 for a period of 10 years;
- v) the Interim Corporate Director for Communities be authorised to enter into a Memorandum of Understanding regarding the treatment of dry recyclables in Rhondda Cynon Taff County Borough Council subject to consultation with the Cabinet Member for Neighbourhood Services, Head of Legal Services and Monitoring Officer, and the Section 151 Officer.

## **6. VALLEYS TASK FORCE CROWDFUNDING PARTNERSHIP PROPOSAL**

The report sought Cabinet agreement for a partnership funding arrangement with Welsh Government and a number of neighbouring local authorities including Merthyr Tydfil, Neath Port Talbot, Torfaen, Bridgend and Blaenau Gwent to support the development of a crowdfunding platform aimed at delivering community and civic led projects.

A proposal has recently been initiated by the Heads of the Valleys group of Local Authority Regeneration Managers to initiate a single civic crowdfunding programme for the Valleys region to deliver improved civic and community spaces. The aim of the programme is to create a funding platform that will generate project 'creators' and project 'backers' and to match the two together.

It was noted that local communities will be encouraged to come forward with their ideas on how they can improve their local areas. These project 'creators' could be individuals within the community, local businesses or community groups.

Officers explained that supported by a core funding allocation from Welsh Government's Valley Task Force, and enhanced by equal financial contributions from local authorities across the Valleys area, the target of the initiative is to lever in additional funds through a 'coalition of willing funders'. The project backers could be local businesses, national institutions, philanthropic grant makers and others.

Cabinet thanked the Officers for the report and discussion ensued.

In noting the scheme and the benefits it could bring to the areas around the A465, a Member queried targets and whether there will be goals set. Officers explained that should a project not reach the desired target, then the funding will not be taken. In addition, the Local Authorities will set the goals for the projects, providing funding, along with local businesses and community groups, encouraging community empowerment with an aim to providing projects and services to meet the needs of the community.

Following consideration and discussion, it was moved and seconded that the recommendation in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officer's report, the project be funded from Corporate/Directorate reserve balances.

## 7. CAERPHILLY HOMES - #BUILDINGTOGETHER

The report which was considered by Housing and Regeneration Scrutiny Committee on 26th November 2019 outlined the vision to build new homes and increase housing supply in the county borough following the completion of the Welsh Housing Quality Standard in 2020.

Cabinet were advised that the Caerphilly Local Housing Mark Assessment had identified a requirement of 282 units per annum over a period of 5 years in order to meet local demand. Members were advised that this is made up of 169 social housing rented units and 113 intermediate units. It was noted that there is a particular need for one bedroom accommodation.

It was noted that although there is currently a surplus of older person's accommodation throughout the county borough, the current provision does not meet the needs in terms of size, facilities and surrounding environment. This would need to be taken into account with any planned programme of development in order to ensure suitable accommodation is available for anticipated growth in demand for older persons.

Cabinet were informed of the research already undertaken in terms of the way forward by looking at what has already been done in other areas, discussions with industry experts on good quality and precision engineered homes and an ambition to produce zero carbon homes, in line with Welsh Government expectations. The report outlines plans for 400 new homes in the first instance which is considered a realistic target as these proposals will take time to develop.

Cabinet thanked the Officers for the report and discussion ensued.

A Cabinet Member thanked the Officer for the report and presentation and queried the surplus older persons accommodation identified within the report. Officers explained that there are some surplus units in the east of the borough which are no longer fit for purpose as more people are looking for more independent living accommodation. However, as part of the post 2020 scheme, these units will be looked at to remodel in order to ensure that they are fit for purpose and reduce voids, whilst meeting the needs of people on the Housing Register.

A Cabinet Member sought reassurance that brown field sites would be given priority for development. Officers confirmed that brown field sites would be given priority, however Cabinet were asked to note that this may not always be possible if the site is deemed not fit for purpose or has significant issues under the ground, and alternative sites would need to be sought.

In noting the carbon efficiency agenda, a Member queried the costs of building new properties to a higher standard, which ultimately reduces carbon output. Officers explained that there is an additional 20-30% costs to that of a current build, which will reduce as properties are built on a larger scale, however the environmental impact has been the priority.

Discussions took place around the in-house workforce, who were heavily relied upon during the WHQS Programme, and it was noted that discussions have been undertaken with Coleg Cymoedd to look at options for possibly upskilling a number of WHQS staff, including the development of skills to support the decarbonisation agenda and retrofitting of energy efficiency measures to existing properties, contributing towards the future new build programme and to continue the post 2020 asset maintenance programme. It was noted in addition, that the internal staff received better feedback from tenants for the work conducted during WHQS.

Cabinet thanked the Officers and all staff involved for the report and the extensive work that has been put into both its writing and future planning for Caerphilly Homes.

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officer's report: -

- i) the development be agreed, subject to planning approval of the HRA site in Nelson in order to access AHG (Affordable Housing Grant) prior to the end of March 2020 via a direct award to a partner Registered Social Landlord;
- ii) the development of the HRA sites in Bedwas and Trecenydd be agreed subject to viability testing and planning approval as set out in the report;
- iii) the principle of Caerphilly Homes acquiring new build affordable homes be agreed, via Section 106 Agreements in areas of housing need, subject to financial viability in terms of the Housing Business Plan;
- iv) the purchase via Section 106 Agreements of up to 10 affordable units per development be delegated to the Head of Service in conjunction with the Cabinet Member for Homes and Places. Section 106 Agreements involving more than 10 affordable units will be subject to a report to Cabinet;
- v) proposals for General Fund land to be considered and appropriated to Caerphilly Homes for the development of affordable housing be agreed, subject to suitability and affordability. Further reports will be submitted as and when required on specific site proposals requesting appropriation from the General Fund to Caerphilly Homes for housing purposes;
- vi) that where HRA land is sold for new development it be approved that, 100% of the capital receipt be kept within the HRA and recycled to finance the Council's new build programme. Where there is no commitment to develop the land, there is an option to retain 25% of the receipt within the HRA and 75% utilised to repay debt (as in previous years with regards to the Right to Buy sales);
- vii) the exploration of innovative and commercial opportunities to facilitate the delivery of new affordable homes be supported, including the possibility of market sales, which on some sites may be necessary to ensure viability;
- viii) the engagement and commissioning of consultants and a development partner via recognised and compliant public sector procurement instruments i.e. via the SCAPE and Welsh procurement Alliance framework agreements (further explained in 5.5/6) be agreed. Each separate procurement arrangement will be undertaken with support and advice from the Council's Procurement Team and will be subject to separate reports being brought forward as appropriate.
- ix) the use of Modern Methods of Construction (MMC) including modular or partially modular homes together with a 'fabric first' approach to deliver the most energy efficient homes possible and respond to the zero carbon agenda be approved;
- x) the commissioning of an independent consultancy via a compliant framework agreement to undertake viability assessments of all suitable HRA land in order to develop a catalogue of commercially viable sites that can be developed over a 5 year period and form the basis of the Council's new build strategy be approved. This information will be used as the basis to develop 'shelf ready' schemes in preparation for the announcement of new Welsh Government Funding in 2021;



- xi) the creation of a Caerphilly Homes Development Team be approved to develop and drive forward the new #BuildingTogether programme as noted in 5.32 and 5.33 of the Officers Report;
- xii) the submission of a report to Council be approved which includes a request to borrow a further £14m to kick start the new build programme and other proposals contained in this report. Further details are contained in section 10 of the Officers Report;
- xiii) any unused borrowing from the £61m originally earmarked for WHQS be transferred to support the delivery of the new build programme. Further details are contained in section 10 of the Officers Report;
- xiv) it be noted that further reports will be submitted as and when required and details of specific schemes are known in order to advise members and where necessary seek Cabinet approval.

The meeting closed at 11.48am.

Approved and signed as a correct record subject to any corrections made at the meeting held on 29th January 2019.

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CHAIR

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## Forward Work Programme - Cabinet

Date	Title	Key Issues	Author	Cabinet Member
15/01/20 10:30	Affordable Housing New Build	For Cabinet to note the progress on a number of new builds and refurbishment projects, and to seek Cabinet approval to appropriate the land at Ty Darren, Risca and the transfer of associated funds to Caerphilly Homes.	Couzens, Shaun; Williams, Mark;	Cllr. Phipps, Lisa
15/01/20 10:30	Waste and Recycling Collection Systems	To advise Cabinet of the findings of the Regeneration and Environment Scrutiny Waste Review Working Group and to seek Cabinet approval for recommendations relating to the Authority's waste and recycling services.	Hartshorn, Robert	Cllr. George, Nigel
15/01/20 10:30	VTF Civic Crowdfunding Proposal	To agree a partnership funding arrangement with Welsh Government and a number of neighbouring local authorities including Merthyr Tydfil, Neath Port Talbot, Torfaen, Bridgend and Blaenau Gwent to support the development of a crowdfunding platform aimed at delivering community and civic led projects.	Kyte, Rhian	Cllr. Morgan, Sean
29/01/20 10:30	To determine a specific discretionary rate relief scheme in respect of Welsh Government (WG) 2019/20 Grant Funding	To agree proposals for distribution of the funding	Carpenter, John	Cllr. Stenner, Eluned
29/01/20 10:45	Proposed Use of Reserves	To consider proposals for the use of reserves.	Harris, Stephen R	Cllr. Stenner, Eluned
29/01/20 11:00	Corporate Volunteering	To consider our options for the establishment of a Corporate Volunteering Scheme on a Directorate or Whole Organisation basis.	Peters, Kathryn; Street, Dave;	Cllr. Gordon, Colin J
29/01/20 11:15	Community Sport - Regional agenda	To consider future delivery options for community sport on a regional (pan "Gwent") basis.	Lougher, Jared	Cllr. George, Nigel

12/02/20 10:30	Heads of the Valleys Masterplan	The report is seeking the view of members prior to its presentation to Cabinet, where Cabinet will be asked to endorse the Draft Masterplan as the basis for a public consultation exercise.	Kyte, Rhian	Cllr. Stenner, Eluned
12/02/20 10:30	Land adjacent to Transcend, Ystrad Mynach	To consider options for the sale of land.	Williams, Mark	Cllr. Phipps, Lisa
12/02/20 10:30	ERDF 4.4 Funding opportunities - The Lawn Industrial Estate, Rhymney and Ty Du, Nelson	This report outlines the opportunities for the council to enhance the development at Ty Ddu, Neslon with further industrial units	Kyte, Rhian	Cllr. Morgan, Sean
12/02/20 10:30	Caerphilly LA FSM Strategy	Consider a coordinated approach to accelerating the progress of this group of learners	Warren, Paul	Cllr. Jones, Barbara
26/02/20 10:30	Directorate Performance Assessments (17) Consultation & Engagement Framework	To discuss and approve the new Directorate Performance Assessments and service planning framework.	Roberts, Ros	Cllr. Stenner, Eluned
26/02/20 10:30		Part of #TeamCaerphilly Action Plan	Lancaster, Hayley	Cllr. Stenner, Eluned
11/03/20 10:30	EAS Business Plan	To approve the EAS Business Plan for 20-21	Cole, Keri	Cllr. Jones, Barbara
11/03/20 10:30	Caerphilly County Borough Council's Strategic Equality Plan 2020-2024	To seek approval of the Strategic Equality Plan 2020-2024 to be formally adopted as Council Policy.	Cullinane, Anwen	Cllr. Stenner, Eluned
11/03/20 10:30	Integrated Transport Unit with RCT CBC/ CCBC	Consideration of a collaborative approach to the delivery of Integrated Transport Unit services.	Lloyd, Marcus	Cllr. Morgan, Sean
25/03/20 10:30	(16) Community Asset Transfer Policy to be finalised and approved by Cabinet	Strategic Plan - Development of a policy and options to deliver a framework for Community Asset Transfer	Peters, Kathryn; Broadhurst, Timothy	Cllr. Stenner, Eluned
10/06/20 10:30	#Team Caerphilly -Transformation Strategy - 6 Monthly Update		Peters, Kathryn	Cllr. Stenner, Eluned



## CABINET – 29TH JANUARY 2020

**SUBJECT: UPDATE ON RESERVES**

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES**

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- 1.1 The attached report was considered by the Policy and Resources Scrutiny Committee on 14th January 2020. The report provided details of the usable reserves held by the Authority. The scrutiny committee were provided of the audited balances as at the 1st April 2019 along with updated balances reflecting in-year adjustments to date for the 2019/20 financial year. The report also provided details of balances that are available for the one-off funding of capital schemes and scrutiny members were invited to comment prior on the report to its presentation to Cabinet.
  - 1.2 The scrutiny committee were informed that the Authority's usable reserves totalled £118.524m as at the 1st April 2019, this is based on an assessment of in-year adjustments to date the current balance on usable reserves is £119.041m. The report included detailed commentary of balances held.
  - 1.3 Members asked for detail on the proposals for the £21.107m that was recommended to be released for one-off capital investments. Members were advised that proposals are being developed with a more detailed report to be available for scrutiny in the spring. This will include projects such as the 21<sup>st</sup> Century Schools Band B proposals; the emerging Digital Strategy; the Shared Ambitions Strategy, WHQS; Sport and Active Recreation Strategy and Community Hubs (one stop shops).
  - 1.4 Concerns were raised regarding the overall amount of reserves when compared to other local authorities. Members questioned whether the public would understand the use for projects such as the Digital Transformation Strategy and if this would provide improvements to the county borough. Members were advised that the Digital Transformation proposals are quite small spend with the larger spend for 21<sup>st</sup> Century Schools Band B proposals, where a commitment to spend £26.5m will see match funding from Welsh Government of £78m and this will be spent across the county borough. Overall the purpose of the report was to highlight where usable reserves can be freed for transformation and also provide detail on the purpose for all reserves.
  - 1.5 Members sought clarification with regard to the capital amounts which detailed the usable reserves (Appendix 1). It was explained that £5m is allocated to the 21<sup>st</sup> Century Schools Band B proposals, £3m is allocated to the Children's Centre, Home Improvement Loans and Section 106 with £2m set against Education capital maintenance, which is yet to be scheduled. Members also queried why there was both an Insurance Earmarked Reserve as well as a Risk Management Reserve, which appear to be the same purpose. It was explained that the Insurance Earmarked Reserve is for any claims against the Council. However the Risk Management Reserve is utilised to fund requests from schools in order to mitigate any future insurance claims. The reserve is used as there is no longer a budget in place and once the reserve is gone there will be no further means to fund these

requests.

- 1.6 The scrutiny committee asked if the £1m reserve, set aside to mitigate against Brexit impact, would be of use, and would the EU exit deadline mean that there would be little time to act if there is no deal. Members were advised that this reserve was approved by Council in January 2019 and although we may not know until December if there is a deal this reserve would help to mitigate against the short term financial implications such as spikes in inflation, however it is hoped that the money will not be needed. Following enquiries about what the £1m be utilised for, should it not be needed, Members were advised that this would be considered next year and scrutiny will have the opportunity to make suggestions on how it could be used.
- 1.7 Finally the scrutiny committee sought reassurances that the release of the capital reserves would be used as soon as possible. Members were assured that in respect of schools band b proposals for example; it will be spent on budget and on time.
- 1.7 Following consideration and discussion the Policy and Resources Scrutiny Committee by the majority present and in noting that there were two abstentions, recommend to Cabinet that:
- (i) Funding totalling £24.543m (Capital Earmarked Reserves £21.107m and Council Tax Reduction Scheme £3.436m) should be set aside pending the preparation of a report during the spring that will outline proposals to utilise this sum for investments in the Council's 'place shaping' agenda.

Author: Catherine Forbes-Thompson, Scrutiny Manager – forbecl@caerphilly.gov.uk

Appendices:

Appendix Report to Policy and Resources Scrutiny Committee 12<sup>th</sup> November 2019 – Agenda Item 7



**POLICY AND RESOURCES SCRUTINY COMMITTEE –  
14th JANUARY 2020**

**SUBJECT: UPDATE ON RESERVES**

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES**

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**1. PURPOSE OF REPORT**

1.1 To present the Scrutiny Committee with details of the usable reserves held by the Authority.

**2. SUMMARY**

2.1 The report provides details of the usable reserves held by the Authority. Details are provided of the audited balances as at the 1st April 2019 along with updated balances reflecting in-year adjustments to date for the 2019/20 financial year.

2.2 The report also provides details of balances that are available for the one-off funding of capital schemes.

**3. RECOMMENDATIONS**

3.1 Members of the Scrutiny Committee are asked to:-

3.1.1 Note the content of the report.

3.1.2 Support a recommendation to Cabinet that funding totalling £24.543m (Capital Earmarked Reserves £21.107m and Council Tax Reduction Scheme £3.436m) should be set aside pending the preparation of a report during the spring that will outline proposals to utilise this sum for investments in the Council's 'place shaping' agenda.

**4. REASONS FOR THE RECOMMENDATIONS**

4.1 To ensure that the Scrutiny Committee is provided with details of the usable reserves held by the Authority and is able to consider specific proposals to Cabinet.

## 5. THE REPORT

5.1 Appendix 1 provides details of the Authority's usable reserves which totalled £118.524m as at the 1<sup>st</sup> April 2019. Based on an assessment of in-year adjustments to date the current balance on usable reserves is £119.041m. The following paragraphs provide a detailed commentary on the balances held.

### 5.2 General Fund

5.2.1 The opening balance on the General Fund as at the 1<sup>st</sup> April 2019 was £15.089m. After adjusting for 2019/20 approved in-year use of General Fund balances the current General Fund balance is £11.659m. This is summarised in the table below: -

	£m	£m
<b>General Fund Opening Balance as at 01/04/19</b>		<b>15.089</b>
<b>In-Year Use of General Fund Balance: -</b>		
2018/19 Council Tax Surplus to support 2019/20 Budget (Special Council 21/02/19)	(1.050)	
Transfer to Capital Earmarked Reserves (Special Council 30/07/19)	(2.380)	
		<b>(3.430)</b>
<b>Current General Fund Balance</b>		<b>11.659</b>

5.2.2 In line with the Council's Reserves Strategy the Section 151 Officer provides advice on the appropriate level of the General Fund Reserve annually as part of the budget setting process and this is subject to approval by Cabinet and Full Council. Typically, the Section 151 Officer has recommended in previous budget reports to Council that the minimum balance on the General Fund Reserve should be £10m i.e. circa 3% of the Council's net revenue budget. The 2020/21 budget report will be presented to Council on the 20<sup>th</sup> February 2020 and this will include a further update on the General Fund balance along with appropriate recommendations.

### 5.3 Housing Revenue Account (HRA)

5.3.1 HRA funds must be ring-fenced and cannot be transferred into General Fund balances. The balance on the HRA usable reserves as at the 1<sup>st</sup> April 2019 was £6.041m. Most of this funding will be utilised for the Welsh Housing Quality Standard (WHQS) Capital Programme.

### 5.4 Capital Reserves

5.4.1 Capital reserves are ring-fenced for the Authority's Capital Programme. These balances have been subject to a detailed review and it is currently anticipated that the balance of capital reserves as at the 31<sup>st</sup> March 2020 will be £51.961m. As a result of the review work undertaken, £21.107m of this balance is confirmed as being available for one-off investments in new capital schemes. A report will be prepared during the spring outlining proposals to utilise this sum for investments in the Council's 'place shaping' agenda. This report will be presented to the Policy & Resources Scrutiny Committee prior to consideration by Cabinet and Council.



## 5.5 Corporate Services

5.5.1 The current balance on Corporate Services reserves after updating for in-year adjustments is £31.803m. The following table provides details of individual balances and the purpose of the reserves: -

Reserve	Amount £m	Description
Trehir Reserve	0.235	Required for potential works on former landfill site.
Invest to Save Reserve	0.469	To provide repayable one-off financial support for service initiatives that deliver cashable savings.
Insurance Earmarked Reserve	6.692	Self-insurance facility. The Authority's insurance excess is £250k. All claims below this level are funded through the insurance earmarked reserve.
Risk Management Reserve	0.416	To support risk management initiatives that mitigate insurance claims.
Corporate Property Service Initiatives Reserve	0.140	To fund a fixed-term Asset Management Co-ordinator and to support Corporate building schemes.
Electoral Admin Reserve	0.382	Cumulative balance on funding set aside annually for local elections.
Health & Safety Initiatives	0.262	To meet one-off unavoidable cost pressures in Council establishments.
PC Replacement Reserve	0.759	This reserve funds the ongoing replacement of essential IT hardware and software across the Authority.
Private Finance Initiative (PFI) Equalisation Reserves	10.772	Committed to funding approved PFI Schemes.
Corporate Services Service Initiatives Reserves	10.224	<ul style="list-style-type: none"> <li>• Care-line (£267k) – Retained underspends on the Care First budget.</li> <li>• Counsel Fees (£368k) – Retained underspends on the Counsel Fees revenue budget.</li> <li>• Council Tax Reduction Scheme (£3.436m) – Retained underspends on the CTRS budget. <b>It is proposed that this sum is transferred to Capital Earmarked Reserves.</b></li> <li>• Apprenticeship Scheme (£511k) – Committed to ongoing apprenticeships and for match-funding ESF projects.</li> <li>• Member Services (£141k) – Ring-fenced retained underspends on the Member Services budget.</li> <li>• Voluntary Sector Grants (£129k) – Retained underspends on the Grants to the Voluntary Sector budget. This budget is monitored by Members on the Grants to the Voluntary Sector Panel.</li> </ul>

		<ul style="list-style-type: none"> <li>• Municipal Mutual Insurance (MMI) Levy (£251k) – Funding set aside to meet future liabilities arising from the MMI Scheme of Arrangement.</li> <li>• Senior Officer Investigation (£247k) – This has now been finalised and any balance remaining will be released at the end of the current financial year.</li> <li>• Replacement of IDOX Document Management System for Council Tax/Housing Benefits (£59k).</li> <li>• Contingency for one-off cost of MTFP staffing reductions (£381k).</li> <li>• Contingency for cost pressures in Waste Management (£400k).</li> <li>• 2Yr fixed term grade 6 post HR (Sickness Absence Monitoring) (£60k)</li> <li>• 1yr Fixed Term Post Grade 7 in Corporate Property (Electrician) (£35k).</li> <li>• 1yr Fixed Term Post Grade 10 in Corporate Property (Land Sales) (£48k)</li> <li>• General Ledger Upgrade - funding of upgrade in 2018/19 to V5.5 (£58k).</li> <li>• Income Management System Upgrade - cost of introducing new cash income system supplied by Capita in 2018/19. (£85k)</li> <li>• Fixed-Term Grade 5 in Council Tax Team (£27k).</li> <li>• Digital Strategy implementation (Thoughtonomy) (£100k).</li> <li>• Digital Strategy implementation (Abavus) (£428k).</li> <li>• Caerphilly 2022 Leadership Development (£100k).</li> <li>• Fixed-Term Policy Officer (£20k).</li> <li>• LED Lighting in Ty Penallta (£31k).</li> <li>• Education contributions to ESF Programmes (£322k).</li> <li>• MTFP Savings Delivery Earmarked Reserve (£1.720m).</li> <li>• Brexit Earmarked Reserve (£1m).</li> </ul>
Salix Finance	0.296	To support energy saving initiatives.
Retained Underspends Reserves	1.156	Accumulated service underspends.
<b>Total: -</b>	<b>31.803</b>	

5.5.2 Members will note from the above that £1.156m is held in 'Retained Underspends Reserves'. Cabinet has previously agreed a policy whereby service areas retain 50% of reported underspends at the financial year-end. Conversely, any service based overspends are carried forward by the service areas responsible for generating the overspends. This approach has worked well as there is full ownership and accountability by budget holders in respect of delivering a balanced budget. At its meeting on the 27<sup>th</sup> July 2016, Cabinet agreed a Reserves Strategy which included the introduction of a cap

on the cumulative amount that can be held by Directorates in service underspend reserves. This will be covered in more detail in section 5.9 of this report.

## 5.6 Communities

5.6.1 The current balance on Communities reserves after updating for in-year adjustments is £4.266m. The following table provides details of individual balances and the purpose of the reserves:-

Reserve	Amount £m	Description
DLO Surplus/Deficit	0.038	Retained cash surplus for Network Contracting Services (NCS) work arising from the Sirhowy Enterprise Way PFI contract.
Planning - Community Infrastructure Levy	1.688	Revenue generated from the Community Infrastructure Levy.
Planning - LDP Related Expenditure	0.140	Ring-fenced reserve for completion of a new CCBC Local Development Plan.
Highways – Service Specific Reserve.	0.500	Ring-fenced winter maintenance reserve.
Community Regeneration Fund	0.056	Approved grants to be drawn down.
Economic Development – Service Initiative Reserve.	0.002	£2k relates to footfall counters. This will be removed at year-end if not utilised.
Area Forum Reserve	0.040	This is being utilised to support agreed MTFP savings in this area.
Communities - Service Specific	1.500	Regeneration Board - Fund created to develop projects to stimulate economic development in the area. Any unspent balance will be carried forward into the 2020/21 financial year.
Retained Underspends Reserves	0.302	Accumulated service underspends.
<b>Total: -</b>	<b>4.266</b>	

## 5.7 Education & Lifelong Learning

5.7.1 The current balance on Education & Lifelong Learning reserves after updating for in-year adjustments is £7.419m. The following table provides details of individual balances and the purpose of the reserves: -

Reserve	Amount £m	Description
Service Initiatives Reserve	1.862	<ul style="list-style-type: none"> <li>• ESF Bridges into Work – Match-funding contribution (£537k).</li> <li>• ESF Working Skills for Adults - Match-funding contribution (£267k).</li> <li>• ESF Inspire to Work – Match-funding contribution (£22k).</li> <li>• Transport Equalisation Account (£23k).</li> <li>• Voluntary Early Release (VER) costs (£575k) – Required to meet ongoing liabilities in schools.</li> <li>• Contribution to Grade 9 Fire Officer (£23k).</li> <li>• Traffic Calming Islwyn High (£1k). This will be removed at year-end if not utilised.</li> <li>• Budget Pressures - Behaviour &amp; Mental Health (£140k).</li> <li>• Post 16 / Single Sex Review (£64k).</li> <li>• Period Products (2018-19 Displaced Funding) (£140k).</li> <li>• Fixed-Term Health &amp; Safety Officer for schools (£45k).</li> <li>• Extension of part-time Fire Officer (£26k).</li> </ul>
Schools PFI Earmarked Reserves	1.094	Contingent sum for unforeseen cost pressures for 2 PFI schools.
School Balances	2.520	Net overall retained underspends ring-fenced to schools.
Local Management of Schools (LMS) Contingency.	1.943	Accumulated underspends on LMS revenue budget. This reserve is maintained to support potential redundancy costs in schools, statutory maintenance costs and other unforeseen unavoidable cost pressures.
Accumulated Service Underspends	0.000	As per agreed policy (see paragraph 5.5.2).
<b>Total: -</b>	<b>7.419</b>	

## 5.8 Social Services & Housing

5.8.1 The current balance on Social Services & Housing reserves after updating for in-year adjustments is £5.891. The following table provides details of individual balances and the purpose of the reserves: -

Reserve	Amount £m	Description
Community Activities Reserve	0.042	To support trading activities in Day Centres.

Service Initiatives Reserve (Social Services)	0.810	<ul style="list-style-type: none"> <li>• Finance IT System (£26k) – Required to deal with any unforeseen costs arising from the implementation of the Welsh Community Care Information System (WCCIS).</li> <li>• Gwent Frailty Programme (£64k) – To meet future Invest to Save loan repayments to the Welsh Government.</li> <li>• Learning Disability Social Workers (£68k).</li> <li>• AMHP training backfill (£32k).</li> <li>• Feasibility Study for regional Deputyship Service (£42k).</li> <li>• Additional Service Manager capacity (£281k).</li> <li>• Family aid for parents with Learning Disabilities (£258k).</li> <li>• Equipment to enable single-handed Home Care calls (£39k).</li> </ul>
Service Initiatives Reserve (Housing)	0.460	<ul style="list-style-type: none"> <li>• Renewal Fund for future building costs at Ty Croeso single persons' accommodation (£141k).</li> <li>• Renewal fund for the replacement of white goods and internal decoration at Ty Fesen family accommodation (£180k).</li> <li>• Shortfall in Shelter contract payments for 2017/18 to 2019/20 (£41k).</li> <li>• Homelessness prevention (£98k).</li> </ul>
Reserves Held for Partnerships	2.178	<p>Reserves held on behalf of partnerships led by Caerphilly CBC: -</p> <ul style="list-style-type: none"> <li>• North Resource Centre (£17k).</li> <li>• SE Wales Shared Lives Scheme (£61k).</li> <li>• Youth Offending Service (£698k).</li> <li>• SE Wales Safeguarding Children Board (£397k).</li> <li>• SE Wales Emergency Duty Team (£31k).</li> <li>• Gwent Frailty Programme (£974k).</li> </ul>
Accumulated Service Underspends	2.401	As per agreed policy (see paragraph 5.5.2). Social Services (£2.086m), Housing (£315k).
<b>Total: -</b>	<b>5.891</b>	

## 5.9 Cap on Retained Underspend Reserves

- 5.9.1 As mentioned in paragraph 5.5.2, at its meeting on the 27<sup>th</sup> July 2016 Cabinet agreed a Reserves Strategy which included the introduction of a cap on the cumulative amount that can be held by Directorates in service underspend reserves. This cap is set at 3% of the net revenue budget for each Directorate and where this is exceeded then proposals must be presented to utilise the excess or a justification must be made to hold the reserves above the 3% level. The following table summarises the 2019/20 net budget for each

Directorate, the current balance on underspend reserves and whether the cap has been exceeded:-

<b>Directorate</b>	<b>2019/20 Net Budget £m</b>	<b>Reserve Balance £m</b>	<b>3% Cap £m</b>	<b>Excess Above Cap £m</b>
Corporate Services	20.091	1.156	-	-
Education & Lifelong Learning	34.349	0.000	-	-
Sub-Total: -	54.440	1.156	1.633	-
Communities	40.044	0.302	1.201	-
Social Services & Housing	93.189	2.401	2.795	-

5.9.2 The above table demonstrates that balances are currently within the 3% cap. Members will note that the figures for Corporate Services and Education & Lifelong Learning have been combined as these are now managed as a single Directorate.

## **6. ASSUMPTIONS**

6.1 There are no assumptions within this report.

## **7. LINKS TO RELEVANT COUNCIL POLICIES**

7.1 Ensuring that adequate General Fund balances are maintained to meet any unforeseen expenditure and the establishment of specific reserves to meet known future financial commitments are key elements of prudent financial management.

7.2 Prudent financial management contributes to the following Well-being Goals within the Wellbeing of Future Generations Act (Wales) 2015:-

- A prosperous Wales.
- A resilient Wales.
- A healthier Wales.
- A more equal Wales.
- A Wales of cohesive communities.
- A Wales of vibrant culture and thriving Welsh Language.
- A globally responsible Wales.

## **8 WELL-BEING OF FUTURE GENERATIONS**

8.1 Effective financial management including the utilisation of reserves is a key element in ensuring that the Well-being Goals within the Well-Being of Future Generations (Wales) Act 2015 are met.

## **9. EQUALITIES IMPLICATIONS**

9.1 An EIA screening has been completed in accordance with the Council's Strategic Equality Plan and supplementary guidance. No potential for unlawful discrimination and/or low level or minor negative impact has been identified regarding this report; therefore a full EIA has not been carried out.

## **10. FINANCIAL IMPLICATIONS**

10.1 As detailed throughout the report.

## **11. PERSONNEL IMPLICATIONS**

11.1 There are no direct personnel implications arising from this report.

## **12. CONSULTATIONS**

12.1 There are no consultation responses that have not been reflected in this report.

## **13. STATUTORY POWER**

13.1 The Local Government Acts 1998 and 2003.

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Mike Jones, Interim Financial Services Manager, Social Services  
Lesley Allen, Principal Accountant, Housing  
Rob Tranter, Head of Legal services and Monitoring Officer  
Cllr Eluned Stenner, Cabinet Member for Finance, Performance and Planning

Background Papers:  
Cabinet (27/07/16) – Reserves Strategy  
Special Council (30/07/19) – Financial Accounts 2018/19

Appendices:  
Appendix 1 - List of Usable Reserves

**List of Usable Reserves**

**Appendix 1**

Directorate / Service Area	Description	Opening Balance 1.4.2019	2019/20 In-Year Adjustments	Updated Balance Relecting In-Year Adjustments	Earmarked For Potential One Off Funding of Capital Schemes
<b>1 General Fund</b>					
Corporate	General Fund	-15,089,227	3,430,000	-11,659,227	0
<b>Total General Fund</b>		<b>-15,089,227</b>	<b>3,430,000</b>	<b>-11,659,227</b>	<b>0</b>
<b>2 Housing Revenue Account</b>					
Housing Revenue Account	Various	-6,041,235	0	-6,041,235	
<b>Total HRA</b>		<b>-6,041,235</b>	<b>0</b>	<b>-6,041,235</b>	<b>0</b>
<b>3 Capital Reserves</b>					
Capital Earmarked Reserves	Various	-24,109,325	7,433,378	-16,675,948	
Useable Capital Receipts	Various	-9,979,459	3,462,178	-6,517,281	
Capital Grants Unapplied	Various	-11,607,160	3,945,363	-7,661,797	
Corporate Projects Capital Funding		0	-21,106,208	-21,106,208	-21,106,208
<b>Total Capital Reserves</b>		<b>-45,695,945</b>	<b>-6,265,290</b>	<b>-51,961,235</b>	<b>-21,106,208</b>
<b>4 Corporate Services</b>					
Corporate	TREHIR RESERVE	-584,549	350,000	-234,549	
Corporate - Capital	RESERVE - INVEST TO SAVE	-313,300	-156,183	-469,483	
Insurance Fund	INSURANCE EARMARKED RESERVE	-6,692,314	0	-6,692,314	
Insurance Fund	RISK MANAGEMENT RESERVE	-415,558	0	-415,558	
Property Services	SERVICE INITIATIVES RESERVE	-139,590	0	-139,590	
Corporate Services	ELECTORAL ADMIN RESERVES	-382,029	0	-382,029	
Corporate Services	HEALTH & SAFETY INITIATIVES	-262,606	0	-262,606	
Corporate Services	CORPORATE PC REPLACEMENT RESER	-759,292	0	-759,292	
Corporate Services	SEW PFI EQUALISATION RESERVE	-2,076,662	0	-2,076,662	
Corporate Services	EDUC PFI EQUALISATION RESERVE	-8,694,566	0	-8,694,566	
Corporate	SERVICE INITIATIVES RESERVE	-2,836,053	-782,349	-3,618,401	
Corporate Services	SERVICE INITIATIVES RESERVE	-7,111,717	506,000	-6,605,717	-3,436,439
Property - Capital	SALEX FINANCE	-296,132.98	0.00	-296,132.98	
Property Services - Building Consultancy	RESER - UNDER/ OVER SPEND C/F	-54,203	0	-54,203	
Corporate Services	RESER - UNDER/ OVER SPEND C/F	-1,459,135	357,573	-1,101,562	
<b>Total Corporate Services</b>		<b>-32,077,705</b>	<b>275,041</b>	<b>-31,802,663</b>	<b>-3,436,439</b>
<b>5 Communities</b>					
Infrastructure	DLO SURPLUS / DEFICIT C/F	-38,335	0	-38,335	
Planning	COMMUNITY INFRASTRUCTURE LEVY	-1,205,335	-482,822	-1,688,157	
Planning	SERVICE INITIATIVES RESERVE	-140,268	0	-140,268	
Infrastructure	SERVICE INITIATIVES RESERVE	-500,000	0	-500,000	
Economic Development and Tourism	RESERVE - COMMUNITY REGEN FUND	-56,071	0	-56,071	
Economic Development and Tourism	SERVICE INITIATIVES RESERVE	-1,874	0	-1,874	
Planning	RESERVE - AREA FORUM	-40,064	0	-40,064	
Community and Leisure Services	RESERVES - CEMETERIES	-1,203,457	1,203,457	0	
Communities Directorate	SERVICE INITIATIVES RESERVE	-300,000	-1,200,000	-1,500,000	
Communities Directorate	RESER - UNDER/ OVER SPEND C/F	-516,596	215,315	-301,281	
Economic Development and Tourism	RESER - UNDER/ OVER SPEND C/F	-198	0	-198	
Trading Standards	RESER - UNDER/ OVER SPEND C/F	0	0	0	
Environmental Health	RESER - UNDER/ OVER SPEND C/F	0	0	0	
<b>Total Communities</b>		<b>-4,002,200</b>	<b>-264,049</b>	<b>-4,266,249</b>	<b>0</b>
<b>6 Education &amp; Lifelong Learning</b>					
Education and Lifelong Learning	SERVICE INITIATIVES RESERVE	-1,651,359	-211,254	-1,862,613	
Education and Lifelong Learning	PFI SCHOOLS EARMARKED RESERVES	-1,093,924	0	-1,093,924	
Schools	RESERVES - DELEGATED SCHOOLS	-2,520,343	0	-2,520,343	
Education and Lifelong Learning	RESERVES LMS EARMARKED	-2,442,540	500,000	-1,942,540	
Education and Lifelong Learning	RESER - UNDER/ OVER SPEND C/F	-570,211	570,211	0	
<b>Total Education and Lifelong Learning</b>		<b>-8,278,377</b>	<b>858,957</b>	<b>-7,419,420</b>	<b>0</b>
<b>7 Social Services &amp; Housing</b>					
Social Services	RESER - SOC SERV COMM ACTIVI	-71,509	29,845	-41,664	
Social Services	SERVICE INITIATIVES RESERVE	-1,336,216	526,044	-810,172	
Social Services	RESERVES HELD FOR PARTNERSHIPS	-2,828,594	651,044	-2,177,550	
Social Services	RESER - UNDER/ OVER SPEND C/F	-2,328,335	242,000	-2,086,335	
General Fund Housing	SERVICE INITIATIVES RESERVE	-460,107	0	-460,107	
General Fund Housing	RESER - UNDER/ OVER SPEND C/F	-206,062	0	-206,062	
Private Housing	RESER - UNDER/ OVER SPEND C/F	-108,756	0	-108,756	
<b>Total Social Services</b>		<b>-7,339,580</b>	<b>1,448,932</b>	<b>-5,890,647</b>	<b>0</b>
<b>Grand Total</b>		<b>-118,524,268</b>	<b>-516,409</b>	<b>-119,040,677</b>	<b>-24,542,647</b>





## CABINET – 29TH JANUARY 2020

**SUBJECT: TARGETED REGENERATION INVESTMENT THEMATIC GRANT**

**REPORT BY: INTERIM CORPORATE DIRECTOR - COMMUNITIES**

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### 1. PURPOSE OF REPORT

- 1.1 To make Cabinet aware of Welsh Government's Targeted Regeneration Investment Urban Centre Property/Living Enhancements thematic grant programme.
- 1.2 To seek delegated powers for the Council's Regeneration Project Board to make decisions on grant awards of up to £250,000 under this programme.
- 1.3 To seek an allocation towards the overall management fees associated with the programme.

### 2. SUMMARY

- 2.1 Welsh Government's flagship regeneration programme is the Targeted Regeneration Investment (TRI) programme. In total £44 million has been ring-fenced to develop projects in targeted urban areas.
- 2.2 £10 million has been top sliced from this budget to instigate an urban centres property enhancement grant programme. Each local authority will receive £920,000 to offer grants to improve buildings in town centres. As WG has recognised Caerphilly as one of its five key towns in the city deal area the focus of the overall TRI programme will be Caerphilly Town and the thematic grant programme will therefore focus its attention on bringing both commercial and residential properties back into beneficial use.
- 2.3 This report outlines the grant programme in more detail and also requests that decisions on grant awards can be delegated to the Regeneration Project Board. It also recognises the human resource requirement to manage the programme effectively and calls for additional financial resources to cover the costs associated with the necessary support services.

### 3.0 RECOMMENDATIONS

- 3.1 It is recommended that Cabinet:
  - i) Note the establishment of the TRI Urban Centre Property/Living Enhancement thematic grant programme.

- ii) Gives delegated decision powers to the Regeneration Project Board to approve grants of up to £250,000.
- iii) Approve an allocation of £20k from the Council's Regeneration Project Board's Development Fund (revenue) to cover identified funding gaps associated with the provision of internal professional support fees linked to managing this grants programme.

#### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 To inform Members of this new Caerphilly town centric grants programme and to ensure that decisions on grant funding made under this programme are made in an accountable, transparent manner.

#### **5. THE REPORT**

- 5.1 The 10 local authorities that make up the Cardiff Capital Region have lobbied Welsh Government (WG) to top slice monies from the £44million TRI programme towards a fund that specifically deals with property improvements in town centres. There is an opportunity to build on the good practice delivered during the previous WG run Vibrant and Viable Places (VVP) programme and further develop creative and innovative approaches to support businesses, job growth and new homes in urban centres. WG have determined that each participating LA choose only one town centre to offer this grant programme to. Due to a number of factors, including its designation by the Valleys Task Force as a strategic hub, Caerphilly has been chosen to benefit in the CCBC area.
- 5.2 This investment package will be facilitated by Rhondda Cynon Taff Council (RCT) as Lead Body and will be delivered by all 10 South East Wales Councils alongside partners including the private sector and RSL's. Service level agreements have been finalised between each Local Authority and RCT to formalise the arrangement between the lead authority and each partner local authority.
- 5.3 There are two investment product streams to this thematic programme:
  - The Urban Centre Property Enhancement Grant – aimed at commercial properties.
  - The Urban Centre Living Fund – aimed at creating residential units in town centres.

##### **The Urban Property Enhancement Fund**

- 5.4 This Fund will provide financial support for applicants to physically improve their commercial premises within Caerphilly Town Centre. The Fund aims to significantly enhance the physical condition and appearance of key local buildings, including the revitalisation of shop frontages and vacant internal floor space. Projects which can help contribute to economic viability by creating or safeguarding jobs, or by bringing vacant properties & business floor space back into beneficial use, will be prioritised for funding.

##### **The Urban Centre Living Grant Fund**

- 5.5 This Fund will provide support for applicants to physically improve their premises for residential purposes. The scheme is aimed at revitalising vacant or underutilised space above commercial premises to create quality new residential space within specific town Centres. WG require each local authority to identify one town centre location.
- 5.6 The grant will only be available in defined town centre boundaries that are included within the South East Wales TRI Regional Plan. As outlined above, for this local authority, the defined boundary for this thematic grant is centred on Caerphilly town centre.

- 5.7 Each LA can be flexible in its approach to delivery, in order to reflect the needs of these specific identified areas. The proposed approach taken by CCBC under Wave 1 is to target derelict and underutilised properties in the town centre and work with the owners/agents to develop schemes that can be funded through the thematic programme. Wave 2 will see any residual grant budget used to widen the scheme out so that other properties in the town centre can be improved to make them more attractive.
- 5.8 The grant is flexible in that it can target internal and external improvements to the property; so it is envisaged that it will be a very attractive tool in bringing properties back into beneficial use.
- 5.9 It will be imperative that officers from the Council's Regeneration Department administering this grant work collaboratively with officers from the Council's Private Sector Housing team who already administer a number of loans aimed at bringing back privately owned residential properties back into beneficial use throughout the county borough. The introduction of the TRI thematic residential improvement grants to Caerphilly town centre will make loan support less attractive to certain landlords here. It is therefore imperative that the TRI funding is linked to the wider empty homes agenda and is seen as one of the key tools which can be considered where appropriate to deal with this agenda along with other financial products and enforcement where necessary.

### **Who Can Apply**

- 5.10 The Funds are open to all businesses and property owners located within Caerphilly Town Centre. Grant funding will only be available to owners of the freehold interest in the property or to lessees holding a minimum 7 year lease remaining on the property. If the applicant is a leaseholder, the applicant must obtain permission from the freeholder.
- 5.11 Applicants will be required to demonstrate that their proposals are viable and will be delivered utilising the appropriate professional design and construction expertise. Applicants must comply with all statutory Planning Permission and Building Control Regulations (separate applications may be required).
- 5.12 A flow diagram outlining the application process from submission to approval is outlined in **Appendix 1**.
- 5.13 Grant recipients of upto £50k will have a restriction registered in favour of the Council on the grant funded property. Grant recipients awarded £50k or more will have a legal charge placed on the property.
- 5.14 There will be due diligence checks undertaken on the applicants and the Council's S151 Officer will be required to sign these off prior to applications proceeding. Like other WG grants programmes payment of grant will not be made until all works are completed to the satisfaction of the Council; with all original invoices submitted, bank statements forwarded showing evidence of payment, confirmation from a independent Quantity Surveyor that the works have been satisfactorily completed and production of interim/final certification. In line with most other WG funded schemes, grants under this programme will be paid out on proof of defrayment.

### **Management implications**

- 5.15 WG have determined that only 5% of the total grant allocation can be used to cover management costs associated with administering and monitoring the grants programme.
- 5.16 Officers believe that this level of funding could prove insufficient to cover all the support services costs associated with managing a grants programme of this nature, for instance, Central Finance have indicated that there could even be a need to employ additional staff to administer the programme.

- 5.17 One of the purposes of this report is to bring this to the attention of Cabinet so that options for identifying sources of funding to fully cover management costs can be agreed.
- 5.18 Although this thematic grant will be focused in on Caerphilly town centre, WG's Valleys Task Force has indicated that they would like to roll its format out to encompass more town centres using their budgets. They are currently in discussions with RCT(the lead body with this grant programme) to establish if each local authority in the region could spend additional funding using this model/programme in other town centres not currently prioritised for funding. Officers from CCBC have indicated that there would be an appetite from property owners in the other principal town centres in Caerphilly County Borough Council.

### **Conclusion**

- 5.19 This report outlines the substantial investment that can be made on the building stock in Caerphilly Town Centre over the course of the next two financial years through this WG funded thematic grant. In order to administer the grant in a robust and accountable manner it is advocated that the best mechanism for determining grant applications is through the Regeneration Project Board. It also recognises the human resource requirement to manage the programme effectively and calls for additional financial resources to cover the costs associated with the necessary support services.

## **6. ASSUMPTIONS**

- 6.1 This report assumes that CCBC will receive its full allocation of £920,000 and that Rhondda Cynon Taff will take the lead role in managing this thematic programme.

## **7. LINKS TO RELEVANT COUNCIL POLICIES**

### **Corporate Plan 2018-2023.**

- 7.1 The report recommendations contributes towards or impacts predominantly on the following Corporate Well-being Objectives:

Objective 2 - Enabling employment.

Objective 3 - Addressing the availability, condition and sustainability of homes throughout the county borough.

Objective 6 – Supporting citizens to remain independent and improve their well-being.

### **A Foundation for Success 2018-2023.**

- 7.2 The report recommendations contribute towards the following Regeneration Objectives to:

- Build a more resilient and diversified economy for the county borough;
- Support economic growth, innovation and enterprise;
- Create an environment that nurtures business;
- Enhance the competitiveness of the county borough;
- Boost business support;
- Enhance opportunities for physical improvement and investment through active place making; and
- Improve the delivery and diversity the housing stock across all tenures within the county borough to meet housing need and create strong cohesive communities.

## **8. WELL-BEING OF FUTURE GENERATIONS**

8.1 The grant programme will bolster the work of the Regeneration Board and will contribute towards significant levels of local regeneration activity in Caerphilly. This proposal contributes to the Well-being objectives as set out above. It is consistent with the five ways of working as defined within the sustainable development principle in the Act and it is aimed at improving the economic well being of the area.

8.2 As such it aligns with the following well being goals:

- A prosperous Wales – Providing more jobs and housing in the area will create more wealth for the local population.
- A Resilient Wales – Providing additional and more diverse employment and housing opportunities will make the area more resilient to external economic factors.
- A Wales of Cohesive Communities – providing local employment and more diverse housing options will help to stabilise and develop local communities and prevent outmigration.

8.3 The report recommendations are consistent with the five ways of working as defined within the sustainable development principle in the Act. The five ways of working of the sustainable development principle, listed in the Act are:

- Long Term – The importance of balancing short-term needs with the need to safeguard the ability of future generations to meet their long-term needs;
- Prevention - How acting to prevent problems occurring, or getting worse, may help public bodies meet their objectives;
- Integration – Considering how the public body's well-being objectives may impact upon each of the well-being goals, on their other objectives, or on the objectives of other public bodies;
- Collaboration – Acting in collaboration with any other person (or different parts of the body itself) that could help the body to meet its well-being objectives;
- Involvement – The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves.

## **9. EQUALITIES IMPLICATIONS**

9.1 There are no specific equalities implications associated with this report for any specific groups or individuals therefore a full equalities impact assessment has not been carried out.

## **10. FINANCIAL IMPLICATIONS**

10.1 Once the thematic programme is launched the Council will benefit from a £920,000 allocation for targeting property improvements in Caerphilly Town Centre.

10.2 Grants awards can be made up to £250,000 at an intervention rate of up to 70%. It should be noted that the match funding element will come from the property owner at minimal intervention of 30% so there are no match funding implications for the Council.

10.3 Management costs of 5% of the total grant award will be made available to cover the costs associated with managing this grants programme within the authority. Officers from Regeneration, Finance, Procurement and Legal will all input into the successful delivery of this scheme. If the total TRI thematic grant pot of £920,000 is allocated, then the management costs TRI top slice allocation would be circa £46,000.

- 10.4 It is expected that this top slicing will not cover the full costs of managing the grants programme and officers request that additional funds are identified to bridge any gap. The quantum of this “gap” requirement is not yet known but should not exceed £20,000.
- 10.5 In order to enable this grants programme to proceed, officers have identified three funding sources from which the £20,000 could be funded from. They are as follows:
- Additional income generated by Urban Renewal on its EU funded projects (not offered up for MTFP).
  - Communities Directorate Reserve
  - The Council’s Regeneration Project Board Development Fund (revenue)
- 10.6 After due consideration, officers recommend that the Council’s Regeneration Project Development Fund should be utilised to meet the identified funding gap.

## **11. PERSONNEL IMPLICATIONS**

- 11.1 Officers from the Regeneration, Finance, Procurement and Legal will be required to assist in the delivery of this programme. Because of the increased workload on the Council’s Finance team, there may be a need to employ additional staff to administer the programme.

## **12. CONSULTATIONS**

- 12.1 All consultation responses are reflected in the report

## **13. STATUTORY POWER**

- 13.1 Local Government Act 1972 and 2000

Author: Allan Dallimore, Regeneration Services Manager

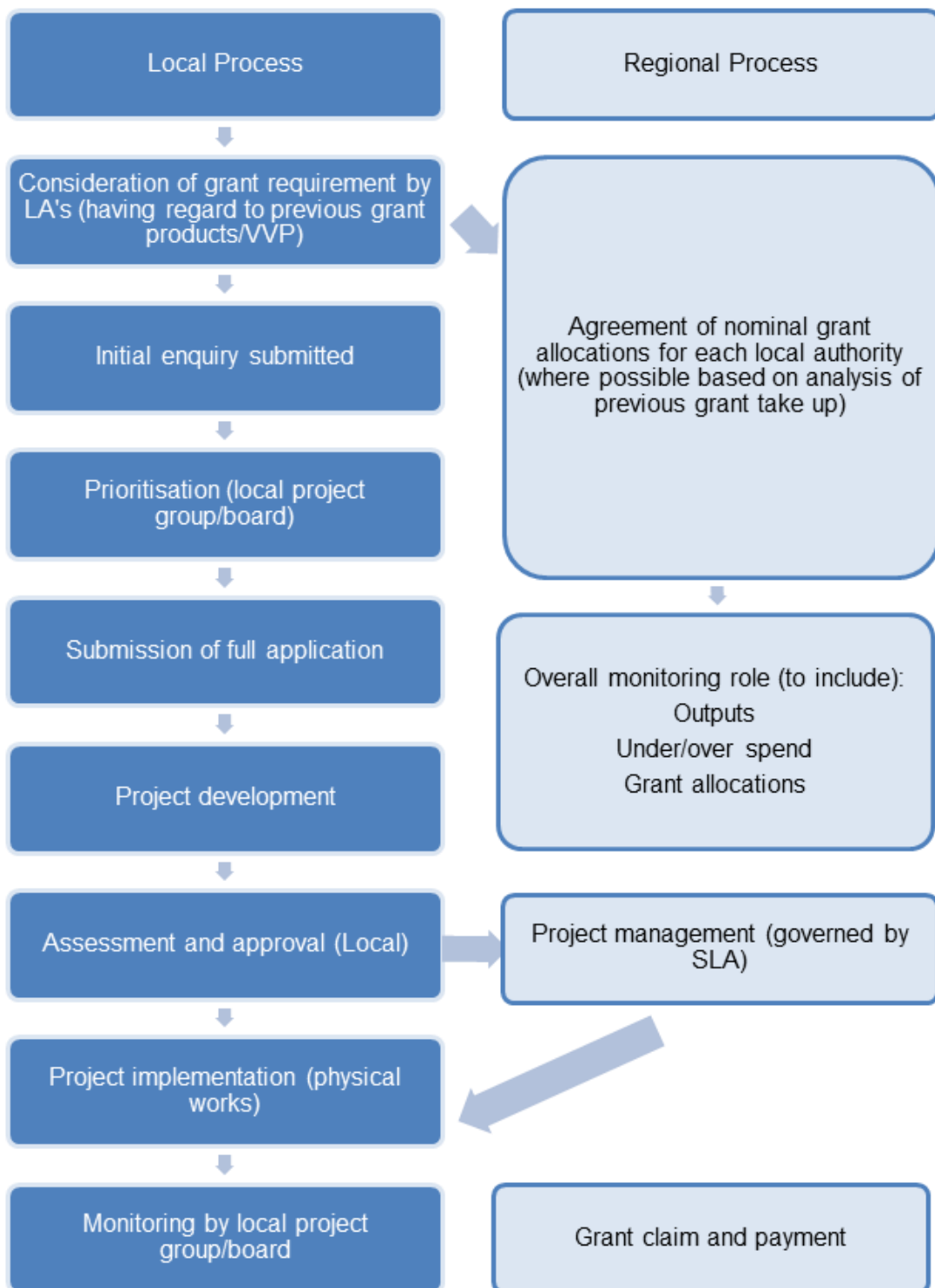
Consultees: Cllr Sean Morgan, Cabinet Member for Regeneration, Transport and Sustainability  
Mark S. Williams, Interim Corporate Director, Communities  
Stephen Harris, Interim Head of Business Improvement Services and Section 151 Officer  
Rhian Kyte, Head of Regeneration and Planning  
Robert Tranter, Head of Legal Services/Monitoring Officer  
Liz Lucas – Head of Customer and Digital Services  
Clair Davies – Private Sector Housing Manager  
Dave Roberts – Principal Group Accountant, Corporate Services  
Mike Eedy – Finance Manager, Corporate Services  
Paula Beaman – Grants manager, Corporate Services  
Glenn Cooper – Regeneration Project Officer, Regeneration Department  
Steve Wilcox – T. C. Manager and Principal Business Support Officer  
Jeff Peters – Principal Business Development Officer  
Anwen Cullinane, Senior Policy Officer, Equalities and Welsh Language  
Shaun Watkins, Human Resources Service Manager  
Cllr Elsbury – St Martins Ward  
Cllr Fussell – St Martins Ward  
Cllr Kent – St Martins Ward

Cllr Phil Bevan – Morgan Jones Ward  
Cllr James Pritchard – Morgan Jones Ward  
Cllr Shayne Cook – Morgan Jones Ward

Appendices:

Appendix 1: Proposed Application Process Flowchart

Appendices:  
 Appendix 1: Proposed Application Process Flowchart







## **CABINET – 29TH JANUARY 2020**

**SUBJECT: TO DETERMINE A SPECIFIC DISCRETIONARY RATE RELIEF SCHEME  
IN RESPECT OF WELSH GOVERNMENT (WG) 2019/20 GRANT FUNDING**

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE  
SERVICES**

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### **1. PURPOSE OF REPORT**

- 1.1 The Welsh Government (WG) has made funding available for a discretionary rate relief scheme for the financial year 2019-20 only; this funding is in addition to the WG 'High Street and Retail Rate Relief [HSRRR] Scheme'. Relief granted by the Authority under this discretionary scheme will be met by way of a specific cash-limited grant but, before any relief is awarded, the Authority must determine the details of the scheme.

### **2. SUMMARY**

- 2.1 This report gives details of £221k funding provided by WG for a new discretionary rate relief scheme for 2019-20 only and provides 2 options with a recommendation that the resolution at Appendix 2 is adopted.

### **3. RECOMMENDATIONS**

- 3.1 It is recommended that Cabinet determines that the resolution detailed in Appendix 2 is adopted by the Authority with immediate effect and that the resolution in Appendix 1 is not adopted for the reasons stated in paragraph 5.3 of the report.

### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 To ensure that the Authority fully utilises the WG grant funding in respect of any rate relief awarded as detailed in the resolution in Appendix 2. Additional assistance will be provided to the high street and retail sector which is commonly known to be adversely affected by the current level of business rates payable.
- 4.2 Awarding additional relief to those ratepayers already receiving some relief under the HSRRR Scheme would minimise the bureaucracy for both businesses applying for the relief and the local authority in administering it. There would be no need for new applications to be made by those already receiving HSRRR and the eligible cases are already known to the Business Rate Team.

## 5. THE REPORT

- 5.1 WG has made £221k funding available for a discretionary rate relief scheme for the financial year 2019-20 only; this funding is in addition to the WG 'High Street and Retail Rate Relief [HSRRR] Scheme' which was implemented earlier this year. There is no provision for WG to revise this amount and so care must be taken to ensure that the Authority adopts a scheme that avoids any over spend. It is intended that the relief under this scheme will be made available subject to the Authority adopting the appropriate resolution.
- 5.2 Members are advised that as at 1<sup>st</sup> December 2019, 506 ratepayers have been awarded HSRRR for 2019-20; approximately 50% of those ratepayers still have some business rates to pay. In addition, a further 148 ratepayers are potentially eligible but have yet to apply for HSRRR, despite the Council's Business Rate Team sending 2 sets of application forms and, in some cases, directly telephoning the ratepayer urging them to apply.
- 5.3 The first option for this discretionary rate relief scheme would be to prioritise certain areas, namely the five main town centres of Bargoed, Blackwood, Caerphilly, Risca and Ystrad Mynach, situated within the County Borough and only award rate relief to those qualifying businesses situated within those areas in accordance with the criteria and conditions set out in Appendix 1, subject to State Aid limits. Apart from the conditions noted in Appendix 1, and the prioritising of the five areas named above, the eligibility criteria for this option would largely be the same as those set out for the 2019-20 'High Street and Retail Rate Relief [HSRRR] Scheme'. While this scheme could result in an award of relief of up to £1,400 per case for around 160 ratepayers, limiting the relief to ratepayers trading in certain areas could be contentious. Therefore, for the reasons listed below, this approach has its shortcomings and is therefore not recommended: -
- it may be difficult to justify from an equalities viewpoint;
  - ratepayers situated outside the prioritised areas may feel aggrieved at not being eligible for this relief; and
  - a smaller number of businesses will benefit under this option due to the limited qualifying areas.
- 5.4 The second option is the preferred option and aims to provide additional rate relief for the financial year 2019-20 to businesses in the high street and retail sector situated across the whole of the Authority's area, subject to State Aid limits. The eligibility criteria for this option would largely be the same as those set out for the 2019-20 'High Street and Retail Rate Relief [HSRRR] Scheme', with a few additional criteria and conditions set out in Appendix 2. This scheme could result in an award of relief of up to £850 per case for around 260 ratepayers. While the maximum individual award amount is lower in value, this option has several advantages:
- it would guarantee that, within Caerphilly County Borough, a greater number of businesses will benefit from this assistance;
  - it would be easier to justify from an equalities viewpoint.
- 5.5 Neither option would require ratepayers who have already applied for HSRRR in 2019/20 to complete another application form; this reduces the administrative burden for ratepayers and the Business Rate Team, minimises delays in getting the rate relief awarded and satisfies the requirements regarding State Aid rules (ratepayers must sign a declaration on the application form that they are entitled to receive the rate relief).

- 5.6 Relief is to be provided under Section 47 of the Local Government Finance Act 1988 in accordance with the criteria and conditions specified in Appendix 1 or Appendix 2 of this report, whichever resolution is preferred by Cabinet.
- 5.7 Appendices 1 and 2 provide the proposed criteria and conditions for each of the 2 suggested options; both options are based on the WG HSRRR Scheme Guidance attached at Appendix 3.
- 5.8 In order to qualify for this rate relief, each resolution requires that the ratepayer completes an application form issued by the Authority relating to the 2019-20 WG 'High Street and Retail Rate Relief [HSRRR] Scheme' by 31<sup>st</sup> March 2020.
- 5.9 Members should be aware that the HSRRR Scheme has been widely publicised via the local press and Council's website and social media outlets. In addition, Members are referred to point 5.2 of this report which explains that application forms have been issued to all potentially eligible ratepayers. Therefore, while the Authority would normally make the business community aware of a one-off rate relief scheme through its usual communication channels, because both of the options set out in this report are based on the ratepayer having already successfully applied for HSRRR for 2019/20, publicity will not be necessary to ensure take-up of this specific Scheme.
- 5.10 Members are advised that Steve Wilcox, Principal Officer for Town Centres and Business Support, has been consulted and is in complete agreement with the reasons given in this report for the preferred option because the more businesses we can offer assistance to, the better; he has no negative comments or alternative suggestions.
- 5.11 The Authority will have to bear the administration costs of awarding rate relief under this Scheme, although these should be minimal.
- 5.12 Full details of the scheme options, including the qualifying criteria, are included in the resolutions in Appendices 1 and 2. For information, the WG HSRRR Scheme Guidance is also attached in Appendix 3.

5.13 **Conclusion**

The report gives details of a new rate relief scheme funded by WG and attaches at Appendices 1 and 2 details of the new scheme options. It is recommended, for reasons explained in the report, that the scheme set out at Appendix 2 be adopted. In order to implement the new Scheme, Members are advised to approve the recommendation at point 3.1.

6. **ASSUMPTIONS**

- 6.1 It is assumed that the recommendation in the report will maximise the use of the grant funding in terms of the amount of rate relief awarded, whilst minimising the staff/administrative costs incurred in awarding the rate relief.

7. **LINKS TO RELEVANT COUNCIL POLICIES**

- 7.1 The adoption of the Scheme attached at Appendix 2 will support eligible businesses by reducing the amount of business rates payable, which in turn may help create

employment opportunities and increase entrepreneurial activities which is a key theme of 'A Foundation for Success 2018-2023' – Regeneration Strategy.

## 7.2 **Corporate Plan 2018-2023**

This section shows how the report content (project, proposal, information or decision) contributes towards or impacts the Corporate Well-being Objectives, which are:

Objective 2 - Enabling employment – the awarding of rate relief under the Scheme will reduce the amount of business rates payable by businesses operating within the County Borough, which in turn should help those businesses to sustain the employment of residents.

## 8. **WELL-BEING OF FUTURE GENERATIONS**

8.1 Effective financial management is a key element in ensuring that the Well-being Goals in the Well-being of Future Generations Act (Wales) 2015 are met.

- A prosperous Wales – maximising the take-up of this WG-funded business rate relief scheme will minimise the amount of rates payable by eligible businesses which helps them to continue trading.
- Long Term – It is hoped that eligible local businesses will be able to continue trading which will enable future generations to benefit in the long-term from a diverse number of local retailers, which should also improve the economic, social, environmental and cultural well-being of residents.

## 9. **EQUALITIES IMPLICATIONS**

9.1 An EIA Screening Form attached at Appendix 4 determined that a full Equality Impact Assessment is not required for this proposal. The impact of this proposal is LOW and no adverse impact on any specific protected characteristic group has been identified. The additional one-off discretionary rate relief will have a positive impact for those businesses that are eligible to receive it by further reducing the amount of business rates payable for the 2019/20 financial year.

9.2 As the same ratepayers that received HSRRR are being targeted for this additional one-off discretionary rate relief, reference was made to the Equality Impact Assessment (EIA) carried out for the HSRRR Scheme in 2019. No adverse impact was identified in the EIA carried out for the 2019/20 HSRRR Scheme which concluded there was a neutral impact on all of the people or groups of people with protected characteristics because the proposal is not aimed at a specific group within the eligible ratepayer group. No evidence was identified to suggest that the WG scheme would have a differential impact on any group. As the same ratepayers are involved in this proposal, the same conclusions have been drawn and so there is no need for an EIA report in respect of the preferred option/proposal.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 There are no direct financial implications to the Authority provided the expenditure for the rate relief awarded under the scheme does not exceed the WG funding amount of £221k.
- 10.2 The preferred option for the 'Discretionary Rate Relief Scheme 2019-20' as set out in Appendix 2 would result in a one-off payment to qualifying businesses of up to £850, based on the current assessment of around 262 businesses that may be eligible to apply. These figures are subject to change due to the daily amendments made to the Authority's rating list. The actual amount payable to each business will be determined by the number of applications received.
- 10.3 No funding is available to support the administration of the Scheme and so this will have to be undertaken using existing resources.

## **11. PERSONNEL IMPLICATIONS**

- 11.1 There are none in respect of this report.

## **12. CONSULTATIONS**

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

## **13. STATUTORY POWER**

- 13.1 Local Government Finance Act 1988, Government of Wales Act 2006 and Local Government Act 1972, 2000 and 2003. The decision as to discretionary rate relief scheme to adopt for 2019-20 may be taken by Cabinet. The Interim Head of Business Improvement Services and Acting S151 Officer will use delegated powers to award the relief.

## **14. URGENCY (CABINET ITEMS ONLY)**

- 14.1 This report could be subject to a "call-in" procedure whereby the relevant Scrutiny Committee can ask for the implementation of the decision to be delayed until it has considered the matter and, if the Scrutiny Committee is so inclined, to ask Cabinet to reconsider its decision.

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Cllr. Eluned Stenner, Cabinet Member for Finance, Performance & Planning, stenne@caerphilly.gov.uk

Cllr. Sean Morgan, Deputy Leader and Cabinet Member for Regeneration, Transportation & Sustainability, morgas@caerphilly.gov.uk

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Cllr. James Pritchard, Chair of Policy and Resources Scrutiny Committee, pritcj@caerphilly.gov.uk

Cllr. Gez Kirby, Vice Chair of Policy and Resources Scrutiny Committee, kirbyg@caerphilly.gov.uk

**Background Papers:**

Contact Finance Manager (Revenues) (ext. 3421)

**Appendices:**

Appendix 1: Resolution – ‘Discretionary Rate Relief Scheme 2019-20’ Option 1

Appendix 2: Resolution – ‘Discretionary Rate Relief Scheme 2019-20’ Option 2

Appendix 3: ‘High Street and Retail Rate Relief [HSRRR] Scheme’

Appendix 4: ‘CCBC EIA Screening Form’

**Option 1**

**Resolution: Terms and Conditions of the Caerphilly County Borough Council  
Business Rates 'Specific Discretionary Relief Scheme In Respect Of Welsh Government  
(WG) Grant Funding For 2019-20**

1. This document sets out the detailed criteria which the Authority will use to determine the award of rate relief under its 'Specific Discretionary Relief Scheme'. The document does not replace existing legislation on the eligible properties or any other relief.
2. The relief is being offered in respect of the rate liability period from 1 April 2019 to 31 March 2020. No decision has been made by the Welsh Government (WG) as to whether the relief will be made available for subsequent years.
3. This relief aims to support high street and retail businesses that fall within the five main town centres of Bargoed, Blackwood, Caerphilly, Risca and Ystrad Mynach, situated within the County Borough.
4. The Authority will utilise a WG grant of £221k to enable a flat rate of relief to be awarded under the 'Specific Discretionary Relief Scheme' on the business rates bill for the financial year 2019-20 for those properties situated within the areas listed in point 3 above, shown in the Authority's rating records which fall within the eligibility criteria set out in the 2019-20 WG 'High Street and Retail Rate Relief [HSRRR] Scheme', where the ratepayer has submitted a properly completed application form and an amount of HSRRR has been awarded for 2019-20. Relief awarded under the 'Specific Discretionary Relief Scheme' is to be **limited to properties situated within the town centre areas listed in point 3** of this Appendix.
5. Where ratepayers have already submitted a properly completed application form for HSRRR for 2019-20, and an amount of HSRRR has been awarded, those ratepayers will not be required to complete an additional application form.
6. The amount does not vary with rateable value and there is no taper. There is no relief available under this scheme for properties with a rateable value of more than £50,000.
7. The relief itself will be calculated on a pro-rata basis. Retrospective adjustments and applications will not be considered due to the limited funding available.
8. Where the net rate liability is less than the maximum possible award of 'Specific Discretionary Relief Scheme' relief, the amount of 'Specific Discretionary Relief Scheme' relief will be no more than the value of the net rate liability.
9. Ratepayers that occupy more than one property will be entitled to this relief for each of their eligible properties, subject to State Aid de minimis limits.
10. As this is a temporary measure, WG has provided the funding for this relief by including it within each local authority's 2019-20 Revenue Support Grant. Local authorities should use their discretionary rate relief powers (under section 47 of the Local Government Finance Act 1988) to administer the relief.

11. Due to the State Aid requirements, the Authority must hold a properly completed HSRRR application form from each ratepayer receiving relief under this Scheme.
12. As the grant of the relief is discretionary, the Authority may choose not to grant the relief if they consider that appropriate.
13. State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary rate relief to ratepayers is likely to amount to State Aid. However rate relief awarded under the 'Specific Discretionary Relief Scheme' will be State Aid compliant where it is provided in accordance with the De Minimis Regulation (1407/2013).
14. The De Minimis Regulation allows an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).



**Option 2**

**Resolution: Terms and Conditions of the Caerphilly County Borough Council  
Business Rates 'Specific Discretionary Relief Scheme In Respect Of Welsh Government  
(WG) Grant Funding For 2019-20**

1. This document sets out the detailed criteria which the Authority will use to determine the award of rate relief under its 'Specific Discretionary Relief Scheme'. The document does not replace existing legislation on the eligible properties or any other relief.
2. The relief is being offered in respect of the rate liability period from 1 April 2019 to 31 March 2020. No decision has been made by the Welsh Government (WG) as to whether the relief will be made available for subsequent years.
3. This relief aims to support businesses in the high street and retail sector situated across the whole of the Authority's area.
4. The Authority will utilise a WG grant of £221k to enable a flat rate of relief to be awarded under the 'Specific Discretionary Relief Scheme' on the business rates bill for the financial year 2019-20 for **all** those properties shown in the Authority's rating records which fall within the eligibility criteria set out in the 2019-20 WG 'High Street and Retail Rate Relief [HSRRR] Scheme', where the ratepayer has submitted a properly completed application form and an amount of HSRRR has been awarded for 2019-20.
5. Where ratepayers have already submitted a properly completed application form for HSRRR for 2019-20, and an amount of HSRRR has been awarded, those ratepayers will not be required to complete an additional application form.
6. The amount does not vary with rateable value and there is no taper. There is no relief available under this scheme for properties with a rateable value of more than £50,000.
7. The relief itself will be calculated on a pro-rata basis. Retrospective adjustments and applications will not be considered due to the limited funding available.
8. Where the net rate liability is less than the maximum possible award of 'Specific Discretionary Relief Scheme' relief, the amount of 'Specific Discretionary Relief Scheme' relief will be no more than the value of the net rate liability.
9. Ratepayers that occupy more than one property will be entitled to this relief for each of their eligible properties, subject to State Aid de minimis limits.
10. As this is a temporary measure, WG has provided the funding for this relief by including it within each local authority's 2019-20 Revenue Support Grant. Local authorities should use their discretionary rate relief powers (under section 47 of the Local Government Finance Act 1988) to administer the relief.
11. Due to the State Aid requirements, the Authority must hold a properly completed HSRRR application form from each ratepayer receiving relief under this Scheme.

12. As the grant of the relief is discretionary, the Authority may choose not to grant the relief if they consider that appropriate.
13. State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary rate relief to ratepayers is likely to amount to State Aid. However 'Local Needs Scheme' rate relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulation (1407/2013).
14. The De Minimis Regulation allows an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).



Llywodraeth Cymru  
Welsh Government

## Non-domestic Rates

### High Street and Retail Rates Relief in Wales - 2019-20

#### Guidance

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# Non-domestic Rates – High Street and Retail Rates Relief

## Guidance

### About this guidance

1. This guidance is intended to support local authorities in administering the High Street and Retail Rates Relief scheme (“the relief”) announced by the then Cabinet Secretary for Finance on 10 December 2018. This guidance applies to Wales only.
2. This guidance sets out the criteria which the Welsh Government will use to determine the funding for local authorities for relief provided to high street and retail properties. The guidance does not replace any existing non-domestic rates legislation or any other relief.
3. Enquiries on the scheme should be sent to:  
[localtaxationpolicy@gov.wales](mailto:localtaxationpolicy@gov.wales)
4. The relief is being offered from 1 April 2019 and will be available until 31 March 2020.

### Introduction

5. This relief is aimed at high street businesses and retailers in Wales, for example shops, pubs, restaurants and cafes.
6. The Welsh Government will provide grant funding to the 22 Unitary Authorities to continue the High Street and Retail Rates Relief scheme to eligible ratepayers for 2019-20. The enhanced scheme aims to provide support for eligible retail businesses by offering up to £2,500 discount on the non-domestic rates bill per property, to retailers occupying premises with a rateable value of £50,000 or less in the financial year 2019-20, subject to State Aid limits.
7. This document provides guidance on the operation and delivery of the scheme.

# Section 1

## High Street and Retail Rates Relief

### How will the relief be provided?

8. As this is a temporary measure, we are providing the relief by reimbursing local authorities that use their discretionary relief powers under section 47 of the Local Government Finance Act 1988. It will be for individual local authorities to adopt a scheme and decide in each individual case when to grant relief under section 47. The Welsh Government will then reimburse local authorities for the relief that is provided in line with this guidance via a grant under section 58A of the Government of Wales Act 2006.

### How will the scheme be administered?

9. It will be for local authorities to determine how they wish to administer the scheme to maximise take-up and minimise the administrative burden for ratepayers and for local authority staff. Subject to State Aid considerations set out in paragraphs 29 to 33.
10. Local authorities are responsible for providing ratepayers with clear and accessible information on the details and administration of the scheme. If, for any reason, an authority is unable to provide this relief to eligible ratepayers from 1 April 2019, consideration should be given to notifying eligible ratepayers that they qualify for the relief and that their bills will be recalculated.

### Which properties will benefit from relief?

11. Properties that will benefit from this relief will be occupied high street business and retail properties such as shops, restaurants, cafes and drinking establishments, with a rateable value of £50,000 or less. More detailed eligibility criteria and exceptions to the relief are set out in paragraphs 15 to 19.
12. Relief should be granted to businesses as a payment based on occupation between 1 April 2019 and 31 March 2020. It is recognised that there may be some instances where a local authority is retrospectively notified of a change of occupier. In such cases, if it is clear that the ratepayer was in occupation on or after the 1 April 2019, the local authority may use its discretion in awarding relief.

### Level of support: up to £2,500

13. Eligible ratepayers will be retailers whose property has a rateable value between £6,001 and £50,000 on 1 April 2019. It is expected that retailers with a rateable value of £6,000 and below will receive full Small Business Rate Relief (SBRR), however it is left to the discretion of authorities to determine if there are properties not in receipt of SBRR that should be eligible for this relief.
14. **Unlike previous years, the 2019-20 scheme is not limited to high street premises but will include all properties within Wales meeting the wider retail criteria.**

15. It is intended that, for the purposes of this scheme, retail properties such as, “shops, restaurants, cafes and drinking establishments” will mean the following (subject to the other criteria in this guidance).

**i. Hereditaments that are being used for the sale of goods to visiting members of the public**

- Shops (such as florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off-licences, newsagents, hardware stores, supermarkets, etc)
- Opticians
- Pharmacies
- Post offices
- Furnishing shops or display rooms (such as carpet shops, double glazing, garage doors)
- Car or caravan showrooms
- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale or hire)

**ii. Hereditaments that are being used for the provision of the following services to visiting members of the public**

- Hair and beauty services
- Shoe repairs or key cutting
- Travel agents
- Ticket offices, eg. for theatre
- Dry cleaners
- Launderettes
- PC, TV or domestic appliance repair
- Funeral directors
- Photo processing
- DVD or video rentals
- Tool hire
- Car hire
- Cinemas
- Estate and letting agents

**iii. Hereditaments that are being used for the sale of food and / or drink to visiting members of the public**

- Restaurants
- Drive-through or drive-in restaurants
- Takeaways
- Sandwich shops
- Cafés

- Coffee shops
- Pubs
- Wine Bars

16. To qualify for the relief a hereditament listed in (i) to (iii) should be wholly or mainly used as a shop, restaurant, café or drinking establishment. This is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

17. The above list is not intended to be exhaustive as it would be impossible to list all the many and varied retail uses that exist. There will also be mixed uses. However, it is intended to be a guide for local authorities as to the types of uses that the Welsh Government considers for this purpose to be high street and retail. Local authorities should determine for themselves whether particular properties not listed are broadly similar in nature to those above and, if so, to consider them eligible for the relief. Conversely, properties that are not broadly similar in nature to those listed above should not be eligible for the relief.

18. As the grant of the relief is discretionary, local authorities may choose not to grant the relief if they consider that appropriate, for example where granting the relief would go against the local authority's wider objectives for the local area.

### **Types of hereditaments that are not considered to be eligible for High Street and Retail Rates Relief**

19. The list below sets out the types of uses that the Welsh Government does not consider to be retail use for the purpose of this relief and would not be deemed eligible for the relief. However, it will be for local authorities to determine if hereditaments are similar in nature to those listed below and if they would not be eligible for relief under the scheme.

#### ***i. Hereditaments that are being used wholly or mainly for the provision of the following services to visiting members of the public***

- Financial services (eg. banks, building societies, cash points, ATMs, bureaux de change, payday lenders, betting shops, pawn brokers)
- Medical services (eg. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (eg. solicitors, accountants, insurance agents, financial advisers, tutors)
- Post office sorting office
- Tourism accommodation, eg. B&Bs, hotel accommodation and caravan parks
- Sports clubs
- Children's play centres
- Day nurseries
- Outdoor activity centres
- Gyms
- Kennels and catteries
- Show homes and marketing suites
- Employment agencies



There are a number of further types of hereditaments which the Welsh Government believes should not be eligible for the High Street Relief Scheme.

**ii. Hereditaments with a rateable value of more than £50,000**

It is recognised there are some retail businesses with rateable value above the £50,000 relief who will not be eligible for this relief. However, local authorities have the option to use their discretionary powers to offer discounts outside this scheme to such businesses if it is in the interests of the local community to do so.

**iii. Hereditaments that are not reasonably accessible to visiting members of the public**

If a hereditament is not reasonably accessible to visiting members of the public, it will be ineligible for relief under the scheme even if there is ancillary use of the hereditament that might be considered to fall within the descriptions in paragraph 15 (i), (ii) or (iii).

**iv. Hereditaments that are not occupied**

Properties that are not occupied on 1 April 2019 should be excluded from this relief. However, under the Empty Property Relief scheme, empty properties will receive a 100% reduction in rates for the first three months (and in certain cases six) of being empty.

**v. Hereditaments that owned, rented or managed by a local authority**

Hereditaments owned, rented or managed by a local authority such as Visitor Centres, Tourist Information shops and council run coffee shops/gift shops attached to historic buildings, are exempt from this scheme.

**vi. Hereditaments that are in receipt of mandatory charitable rates relief**

These properties already receive mandatory charitable relief which gives an 80% reduction in liability and authorities may also choose to provide discretionary charitable relief which can reduce the remaining liability to nil. As such, these properties will not be eligible for High Street Rate Relief.

**How much relief will be available?**

20. The total amount of government funded relief available for each property for 12 months under this scheme is up to £2,500. This relief can be provided in addition to SBRR and Transitional Rate Relief. High Street and Retail Rates Relief should be applied against the net bill after these two reliefs have been applied. Any hardship or discretionary relief awarded by the local authority should be considered by the local authority once all other rates reliefs have been awarded.

21. The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis. The following formula should be used to determine the amount of relief to be granted for a particular hereditament in the financial year:

$$\text{Amount of relief to be granted} = A \times (B / C)$$

Where:

A is the funding amount of £2,500

B is the number of days in the financial year that the hereditament is eligible for relief; and

C is the number of days in the financial year

22. When calculating the relief, if the net liability before High Street and Retail Rates Relief is £2,500 or less, the maximum amount of this relief will be no more than the value of the net rate liability. This should be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.
23. Ratepayers that occupy more than one property will be entitled to High Street and Retail Rates Relief for each of their eligible properties, subject to State Aid de minimis limits.

### **Changes to existing hereditaments, including change in occupier**

24. Empty properties becoming occupied after 1 April 2019 will qualify for this relief.
25. If there is a change in occupier part way through the financial year, after relief has already been provided to the hereditament, the new occupier will qualify for the relief on a pro-rata basis based on the remaining days of occupation using the formula in paragraph 21 of this guidance.

## State Aid

26. State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. High Street and Retail Rates Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulation (1407/2013).
27. The De Minimis Regulation allows an undertaking to receive up to €200,000 of De Minimis aid in a three-year period (consisting of the current financial year and the two previous financial years). Local authorities should familiarise themselves with the terms of this State Aid exemption, in particular the types of undertaking that are excluded from receiving De Minimis aid, the relevant definition of undertaking and the requirement to convert the aid into Euros.
28. To administer De Minimis it is necessary for the local authority to establish that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid. Note that the threshold only relates to aid provided under the De Minimis Regulations (aid under other exemptions or outside the scope of State Aid is not relevant to the De Minimis calculation).
29. Section 3 of this guidance contains a sample De Minimis declaration which local authorities may wish to use. Where local authorities have further questions about De Minimis or other aspects of State Aid law, they should seek advice from their legal department in the first instance.
30. Desk instructions covering the administration of De Minimis schemes are available at:

<http://gov.wales/funding/state-aid/de-minimis-aid/?lang=en>

[http://ec.europa.eu/competition/state\\_aid/legislation/de\\_minimis\\_regulation\\_en.pdf](http://ec.europa.eu/competition/state_aid/legislation/de_minimis_regulation_en.pdf)

## Section 2 – State Aid

### Sample paragraphs that could be included in letters to ratepayers about High Street and Retail Rates Relief for 2019-20

The Cabinet Secretary for Finance announced on 10 December 2018 that an additional £23.6 million of funding would be available to extend and expand the existing High Street and Retail Rates Relief scheme for 2019-20.

Relief of up to £2,500 will be provided to eligible occupied retail properties with a rateable value of £50,000 or less in 2019-20. Your current rates bill includes this High Street and Retail Rates Relief.

Awards such as High Street and Retail Rates Relief are required to comply with the EU law on State Aid<sup>1</sup>. In this case, this involves returning the attached declaration to this authority if you have received any other De Minimis State Aid, including any other High Street and Retail Rates Relief you are being granted for premises other than the one to which this bill and letter relates, and confirming that the award of High Street and Retail Rates Relief does not exceed the €200,000 an undertaking<sup>2</sup> can receive under the De Minimis Regulations EC 1407/2013.

Please complete the declaration and return it to the address above. In terms of declaring previous De Minimis aid, we are only interested in public support which is De Minimis aid (State Aid received under other exemptions or public support which is not State Aid does not need to be declared).

If you have not received any other De Minimis State Aid, including any other High Street and Retail Relief you are being granted for premises other than the one to which this bill and letter relates, you do not need to complete or return the declaration.

If you wish to refuse to receive the High Street and Retail Rates Relief granted in relation to the premises to which this bill and letter relates, please complete the attached form and return it to the address above. You do not need to complete the declaration. This may be particularly relevant to those premises that are part of a large retail chain, where the cumulative total of High Street and Retail Rates Relief received could exceed €200,000.

Under the European Commission rules, you must retain this letter for three years from the date on this letter and produce it on any request by the UK public authorities or the European Commission. (You may need to keep this letter longer than three years for other purposes). Furthermore, information on this aid must be supplied to any other public authority or agency asking for information on 'De Minimis' aid for the next three years.

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1 Further information on State Aid law can be found at <https://www.gov.uk/state-aid>

2 An undertaking is an entity which is engaged in economic activity. This means that it puts goods or services on a given market. The important thing is what the entity does, not its status. Thus a charity or not for profit company can be undertakings if they are involved in economic activities. A single undertaking will normally encompass the business group rather than a single company within a group. Article 2.2 of the de minimis Regulations (Commission Regulation EC/ 1407/2013) defines the meaning of 'single undertaking'.

**‘De Minimis’ declaration**

Dear [ ]

NON-DOMESTIC RATES ACCOUNT NUMBER: \_\_\_\_\_

The value of the non-domestic rates High Street and Retail Rates Relief to be provided to [name of undertaking] by [name of local authority] is £ [ ] (Euros [ ]).

This award shall comply with the EU law on State Aid on the basis that, including this award, [name of undertaking] shall not receive more than €200,000 in total of De Minimis aid within the current financial year or the previous two financial years). The De Minimis Regulations 1407/2013(as published in the Official Journal of the European Union L352 24.12.2013) can be found at:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF>.

Amount of De Minimis aid	Date of aid	Organisation providing aid	Nature of aid
€	1 April 2019 – 31 March 2020	Local authorities (for the High Street and Retail Rates Relief total, you do not need to specify the names of individual authorities)	High Street and Retail Rates Relief

I confirm that:

- 1) I am authorised to sign on behalf of \_\_\_\_\_[name of undertaking]; and
- 2) \_\_\_\_\_[name of undertaking] shall not exceed its De Minimis threshold by accepting this High Street and Retail Rates Relief.

SIGNATURE:

NAME:

POSITION:

BUSINESS:

ADDRESS:

DATE:

### Refusal of High Street and Retail Rates Relief form

Name and address of premises	Non-domestic rates account number	Amount of High Street and Retail Rates Relief

I confirm that I wish to refuse High Street and Retail Rates Relief in relation to the above premises.

I confirm that I am authorised to sign on behalf of \_\_\_\_\_ [name of undertaking].

SIGNATURE:

NAME:

POSITION:

BUSINESS:

ADDRESS:

DATE:



## CCBC - Equality Impact Assessment Screening Form

This completed form must be appended to any report being submitted for a decision if it determines that a full Equality Impact Assessment is not required

### SECTION 1

Which service area and directorate are you from?	
Service Area:	Business Rates, Corporate Finance
Directorate:	Corporate Services Education

For the majority of these questions, you can tick more than one box as more than one option may be relevant

Q1(a) WHAT ARE YOU SCREENING FOR RELEVANCE?					
Service/Function	Policy/Procedure	Project	Strategy	Plan	Proposal
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

### Q1(b) Please name and describe here: *(Press F1 for guidance – top row on keyboard)*

The Welsh Government (WG) has provided £221k funding to Caerphilly CBC within the 2019-20 Revenue Support Grant for a one-off discretionary rate relief scheme for the financial year 2019-20. This funding is in addition to the WG High Street and Retail Rate Relief (HSRRR) Scheme for 2019-20 which is aimed at helping certain retail business rate payers. It is proposed that the parameters of the HSRRR Scheme for 2019-20 are used as the basis for determining the eligibility of certain ratepayers to the additional rate relief being considered in this screening.

Therefore, subject to the parameters of the 2019-20 HSRRR Scheme and State Aid limits, it is proposed that the additional £221k funding is used to either:

1. Prioritise certain areas, namely the five main town centres of Bargoed, Blackwood, Caerphilly, Risca and Ystrad Mynach, situated within the County Borough and only award rate relief to those qualifying businesses situated within those areas, where the ratepayer has submitted a properly completed application form and an amount of HSRRR has been awarded for 2019-20. This option is not recommended as it may be difficult to justify from an equalities viewpoint; ratepayers situated outside the prioritised areas may feel aggrieved at not being eligible for this relief and a smaller number of businesses will benefit under this

option due to the limited qualifying areas;

or

2. The preferred option is to allow all businesses in the high street and retail sector situated across the whole of the Authority's area to be eligible for this one-off discretionary rate relief, where the ratepayer has submitted a properly completed application form and an amount of HSRRR has been awarded for 2019-20. This option has several advantages as it would guarantee that, within Caerphilly County Borough, a greater number of businesses will benefit from this assistance and it would be easier to justify from an equalities viewpoint

WG did not carry out an Equality Impact Assessment (EIA) for its 2019-20 HSRRR Scheme, however, an EIA was carried out by Caerphilly CBC. No adverse impact was identified. Furthermore, there was a neutral impact on the people or groups of people with protected characteristics because the proposal is not aimed at a specific group within the eligible ratepayer group. No evidence was identified to suggest that the WG scheme would have a differential impact on any group.

A report is to be taken to Cabinet proposing the adoption of Option 2 outlined above for the reasons contained within the Cabinet report.

<b>Q2(a) WHAT DOES Q1a RELATE TO?</b>		
Direct front line service delivery (High)	Indirect front line service delivery (Medium)	Indirect back room service delivery (Low)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<b>Q2(b) DO YOUR CUSTOMERS/CLIENTS ACCESS THIS...?</b>			
Because they need to (High)	Because they have to (Medium)	Because it is automatically provided to everyone in the county borough (Medium)	On an internal basis i.e. staff (Low)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



**Q3 WHAT IS THE POTENTIAL IMPACT ON THE FOLLOWING... High, Medium and Low do not mean the same as positive or negative – a high impact could be a positive impact on a particular group... Is your proposal likely to impact disproportionately in any way (good or bad) on a particular group?**

	High Impact (High)	Medium Impact (Medium)	Low Impact (Low)	Don't Know (High)
Children/Young People	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Older People (50+)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Any other age group	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Race (including refugees)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Asylum Seekers	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gypsies & Travellers	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Religion or (non-)belief	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender Reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Welsh Language	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Poverty/social exclusion	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Carers (inc. Young carers)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Community Cohesion	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Marriage & Civil Partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pregnancy & Maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**Q4 WHAT ENGAGEMENT / CONSULTATION / CO-PRODUCTIVE APPROACHES WILL YOU UNDERTAKE? Please provide details below – either of your planned activities or your reasons for not undertaking engagement. (Press F1 for guidance – top row on keyboard)**

The proposal is to use the one-off funding for discretionary rate relief to enhance the HSRRR relief provided to the high street and retail sector. As the same ratepayers that received HSRRR are being targeted for this additional rate relief, and no adverse impact was identified in the EIA for the HSRRR Scheme, there is no need to undertake a consultation for the recommended option/proposal contained in the Cabinet report. The recommended proposal is not aimed at a specific group within the eligible ratepayer group.

Q5(a) HOW VISIBLE IS THIS INITIATIVE TO THE GENERAL PUBLIC?		
High Visibility (High)	Medium Visibility (Medium)	Low Visibility (Low)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

(b) WHAT IS THE POTENTIAL RISK TO THE COUNCIL'S REPUTATION? (Consider the following impacts – legal, financial, political, media, public perception etc...)		
High Risk (High)	Medium Risk (Medium)	Low Risk (Low)
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Q6 Will this initiative have an impact (however minor) on any other Council service?	
Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>
If Yes, please provide details below	

Q7 HOW DID YOU SCORE? Please tick the relevant box	
<p>Q3 counts as one despite the large number of groups – use the highest recorded impact when calculating your score.</p> <p>This is not an exact science – a high result might not necessarily result in a full EIA report e.g. it may be governed by other legislation or by Welsh Government, resulting in a lack of control at our end.</p> <p>The most important thing is your answer to Q8...</p>	
Mostly <u>HIGH</u> and/or <u>MEDIUM</u> → HIGH PRIORITY →	<input type="checkbox"/> EIA to be completed. Please go to Section 2.
Mostly <u>LOW</u> → LOW PRIORITY/NOT RELEVANT →	<input checked="" type="checkbox"/> Do not complete EIA. Go to Q8 followed by Section 2.

**Q8 If you determine that this initiative is not relevant for an EIA report; you must provide a full explanation here. Please ensure that you cover all of the relevant protected characteristic groups. (Press F1 for guidance – top row on keyboard)**

In relation to Q7, the impact is LOW and no adverse impact on any specific protected characteristic group has been identified. The additional one-off discretionary rate relief will have a positive impact for those businesses that are eligible to receive it.

The proposal is to use one-off Welsh Government funding for discretionary rate relief to enhance the HSRRR relief provided to the high street and retail sector which is known to be adversely affected by liability to pay business rates. HSRRR relief reduces the amount of business rates payable for those ratepayers whose properties are eligible within the WG scheme guidance, and where ratepayers confirm they are using a property for a qualifying purpose and are not prevented from receiving the rate relief under de minimis State Aid rules. As the same ratepayers that received HSRRR are being targeted for this additional one-off discretionary rate relief, reference is made to the Equality Impact Assessment (EIA) carried out for the HSRRR Scheme in 2019.

No adverse impact was identified in the EIA carried out for the 2019/20 HSRRR Scheme which concluded there was a neutral impact on all of the people or groups of people with protected characteristics because the proposal is not aimed at a specific group within the eligible ratepayer group. No evidence was identified to suggest that the WG scheme would have a differential impact on any group. As the same ratepayers are involved in this proposal, the same conclusions have been drawn and so there is no need for an EIA report in respect of the preferred option/proposal.

## SECTION 2

### Screening Completed by:

<b>Name:</b>	<b>John Carpenter</b>
<b>Job Title:</b>	<b>Finance Manager (Revenues)</b>
<b>Date:</b>	<b>16/12/2019</b>

### Head of Service Approval:

<b>Name:</b>	<b>Stephen Harris</b>
<b>Job Title:</b>	<b>Interim Head of Business Improvement &amp; Acting S151 Officer</b>
<b>Date:</b>	<b>03/01/2020</b>

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