



## **POLICY AND RESOURCES SCRUTINY COMMITTEE – FOR INFORMATION**

**SUBJECT: DISCRETIONARY RATE RELIEF APPLICATION**

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

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

- 1.1 This report sets out details of an application for discretionary rate relief and notes the decision proposed by the Head of Corporate Finance and Section 151 Officer under delegated powers.

### **2. SUMMARY**

- 2.1 The Council is able to assist a wide range of voluntary and sporting organisations by granting rate relief. This report contains details of an application received for discretionary rate relief and the proposals for the determination of the application to be formally implemented after the third working day the delegated decision notice has been posted.

### **3. LINKS TO STRATEGY**

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

### **4. THE REPORT**

#### **4.1 Background**

- 4.1.1 Under the Council's Scheme of Delegation applications for discretionary rate relief submitted to the Council are determined by the Council's Head of Corporate Finance and Section 151 Officer.
- 4.1.2 The determination is exercised following consideration of the Council's guidelines on discretionary rate relief supplemented by guidance from Welsh Government and Central Government.

#### **4.2 The Application**

##### **RecRock Ltd**

- 4.2.1 An application for discretionary rate relief has been received from the above social enterprise company in respect of their premises at Suite B3 and Suite B4 Britannia Lodge, 3 Caerphilly Business Park and Suite C8 Britannia House, Caerphilly for periods of occupied liability covering 01<sup>st</sup> April 2017 to 31<sup>st</sup> July 2018.

- 4.2.2 The organisation is a Caerphilly-based social enterprise. A simple definition of a social enterprise is one of a business that ploughs the majority of its profits back in to a strong social or environmental mission.
- 4.2.3 Members should be aware that currently the Authority would bear 10% of any discretionary rate relief awarded, with the Welsh Government Pool bearing the remaining 90%.
- 4.2.4 To be eligible for discretionary rate relief, the organisation must satisfy the following conditions:
- a) the organisation or institution occupying the premises must not be established or conducted for profit;
  - b) each of the organisation's main objects must be charitable, or otherwise philanthropic or religious, or concerned with education, social welfare, science, literature, or fine arts;
  - c) the use of the premises must be wholly or mainly charitable, or the premises must be wholly or mainly used for recreational purposes;
  - d) where the premises is wholly or mainly used for recreational purposes, all or part of it must be occupied by an organisation not established or conducted for profit.
- 4.2.5 The main object of RecRock Ltd is:
- To provide opportunities and access for people to engage with music as a co-operative company.
- 4.2.6 The organisation's Memorandum and Articles of Association state that the income and property of the company must be applied solely towards the promotion of its objects.
- 4.2.7 The Articles further state that on the dissolution of the company, any assets remaining would be used firstly to meet any liabilities and then directly for the organisation's objects and by transfer to any other organisation for the same or similar purposes. This satisfies the discretionary rate relief requirement for remaining assets to be used for charitable or non-profit making purposes.
- 4.2.8 RecRock Ltd is a Caerphilly-based social enterprise that provides music-related projects in the community. They work with groups of people whose interest is in music, helping them to put on an event, gain a qualification, play instruments and, most of all, have fun.
- 4.2.9 Some of the projects they have run in the past include:
- Music workshops in the community
  - Providing entertainment at public events
  - Creating videos
  - Volunteering, work experience and employability projects
  - Working with Welsh Baccalaureate students to deliver the community challenge part of their qualification
  - Providing a community choir for a housing association
- 4.2.10 The organisation works with primary and secondary schools, mental health projects, housing associations, youth projects, learning and physical disabled, young offenders, pupil referral units, Job Centre Plus among others. Its workshops and approach to working with people are proven to improve people's confidence, self-esteem and communication skills.
- 4.2.11 The social enterprise company has been set up specifically to carry out the object given in point 4.2.5 above and is not established or conducted for profit. In addition, the organisation's

main object is either wholly or mainly charitable, or concerned with religion, philanthropy, social welfare and education, as required under the regulations. It is also clear that the use of the premises was wholly or mainly charitable.

4.2.12 The business rate liability of the organisation's premises in Suite B3 and B4 Britannia Lodge for the period 1<sup>st</sup> April 2017 – 31<sup>st</sup> October 2017 inclusive was £2,651.13 and in Suite C8 Britannia House for the period 10<sup>th</sup> October 2017 to 31<sup>st</sup> July 2018 inclusive was £1,531.18. If the Authority were to grant 100% discretionary rate relief, the cost to the Authority of awarding the relief at current levels would be £418.23 with the Welsh Government pool bearing the remainder of £3,764.08.

4.2.13 The Authority's policy for a not-for-profit social enterprise organisation occupying one or more rating assessments within the Authority's area with a cumulative rateable value not exceeding £75,000 is to award 100% discretionary rate relief.

4.2.14 Taking the above matters into consideration, it appears that RecRock Ltd and its use of the premises with rateable values of £2,700, £7,400 and £3,750 respectively, satisfies all of the relevant qualifying criteria.

4.2.15 **Proposal (to be implemented after the third working day the delegated decision has been posted):**

**100% discretionary rate relief be awarded.**

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

5.1 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. Maximising the take-up of business rate relief minimises the amount of rates payable by a wide range of voluntary and sporting organisations which enables them to use those funds directly in respect of their objectives.

## **6. EQUALITIES IMPLICATIONS**

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

## **7. FINANCIAL IMPLICATIONS**

7.1 These are contained within the report.

## **8. PERSONNEL IMPLICATIONS**

8.1 There are no personnel implications.

## **9. CONSULTATIONS**

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

## **10. RECOMMENDATIONS**

- 10.1 Members note the proposed determination of the application(s) for discretionary rate relief under delegated powers which will be implemented after the third working day the delegated decision notice has been posted.

## **11. REASONS FOR THE RECOMMENDATIONS**

- 11.1 As set out throughout the report.

## **12. STATUTORY POWER**

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

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Consultees: Cllr B Jones, Deputy Leader & Cabinet Member for Finance, Performance and Governance  
Richard Edmunds, Corporate Director for Education and Corporate Services  
Nicole Scammell, Head of Corporate Finance & Section 151 Officer

Background Papers:

‘Review of NNDR Discretionary Rate Relief Policy’ report to Policy and Resources Scrutiny Committee on 20<sup>th</sup> January 2015

Rate Relief Application Form, contact ext. 3421