



POLICY AND RESOURCES SCRUTINY COMMITTEE – FOR INFORMATION

SUBJECT: DISCRETIONARY RATE RELIEF APPLICATION

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

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

YMCA England

4.2.1 An application for top-up discretionary rate relief has been received from the above registered charity in respect of their charity shop at 87/89 High Street, Blackwood, from the 13th December 2016 to 31st March 2018 inclusive.

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

- 4.2.3 Members should be aware that currently the Authority would bear 75% of any top-up discretionary rate relief awarded, with the Welsh Government Pool bearing the remaining 25%.
- 4.2.4 To be eligible for discretionary rate relief, the organisation must satisfy the following conditions:
- a) the organisation or institution occupying the premises must not be established or conducted for profit;
 - 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 objects of YMCA England are:
- To advance the Christian faith, including by;
- Promoting a Christian environment inspired and motivated by the life, example and teaching of Jesus Christ, where people can work together for the transformation of communities; and
 - Enabling people of all ages and, in particular, young people, to flourish through experiencing and responding to the love of God demonstrated by the life, example and teaching of Jesus Christ.
- 4.2.6 The organisation's Memorandum and Articles of Association state that the property and funds of the charity must be used only for the promotion of the charity's objects.
- 4.2.7 The Articles further state that on the dissolution of the charity, any assets remaining would be used firstly to meet any liabilities and then directly for the organisation's objects and by transfer to any other charity for the same or similar purposes. This satisfies the discretionary rate relief requirement for remaining assets to be used for charitable or non-profit making purposes.
- 4.2.8 YMCA England's focus is on young people and helping them play an active and fulfilling role within their communities. They actively look for opportunities to make a transformative impact on young lives in the communities where they work, and believe that every person is of equal value.
- 4.2.9 With regard to the shop premises in Blackwood, YMCA England provided opportunities for both paid staff and volunteers, with 2 paid local staff and over 10 volunteers. Support was also provided to the local probation service by helping people back in to the community. In addition recycling of clothing, electrical and furniture, bric-a-brac and other items were facilitated at the premises.
- 4.2.10 The recycled and reused goods that were sold were affordable for people on low incomes which benefitted the local community.
- 4.2.11 The charity has been set up specifically to carry out the objects given in point 4.2.5 above and is not established or conducted for profit. In addition, the organisation's main objects are either wholly or mainly charitable, or concerned with 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 Blackwood for the period 13th December 2016 to 31st March 2018 inclusive was £41,451.26. If the Authority were to grant 20% top-up discretionary rate relief, the cost to the Authority of awarding the relief at current levels would be £6,217.69 with the Welsh Government pool bearing the remainder of £2,072.56.
- 4.2.13 The Authority's policy for an organisation registered as a charity with the Charity Commission and occupying one or more rating assessments within the Authority's area with a cumulative rateable value not exceeding £100,000 is to award 20% top-up discretionary relief.
- 4.2.14 Taking the above matters into consideration, it appears that YMCA England and its use of the premises with a rateable value of £63,000 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):**

20% top-up 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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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 20th January 2015

Rate Relief Application Form, contact ext 3421