



## **POLICY AND RESOURCES SCRUTINY COMMITTEE – 3RD MARCH 2015**

**SUBJECT: DISCRETIONARY RATE RELIEF APPLICATIONS**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151  
OFFICER**

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

1.1 This report sets out details of applications for discretionary rate relief and notes the decision proposed by the Interim Head of Corporate Finance under delegated powers.

### **2. SUMMARY**

2.1 The Council is able to assist a wide range of voluntary and sporting organisations by granting rate relief. This report contains details of applications received for discretionary rate relief and the proposals for the determination of the applications to be formally implemented on the 10th day of March 2015.

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

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

### **4. THE REPORT**

#### **4.1 Background**

4.1.1 Under the Council's Scheme of Delegation applications for discretionary rate relief submitted to the Council are determined by the Council's Head of Corporate Finance.

4.1.2 The determination is exercised following consideration of the Council's Policy on discretionary rate relief supplemented by guidance from Welsh Government and Central Government.

#### **4.1 THE APPLICATIONS**

##### **Disability Can Do Organisation**

4.2.1 An application for top-up discretionary rate relief has been received from the above registered charity in respect of their premises at 1 Bryn Lane, Pontllanfraith, NP12 2PG from 14th May 2014 onwards.

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

- 4.2.3 Members should be aware that currently the Authority would bear 75% of any top-up discretionary rate relief awarded, with the Welsh Government Pool bearing the remaining 25%.
- 4.2.4 To be eligible for discretionary rate relief, the organisation must satisfy the following conditions:
- a) the organisation or institution occupying the premises must not be established or conducted for profit; and
  - b) each of the organisation's main objects must be charitable, or otherwise philanthropic or religious, or concerned with education, social welfare, science, literature, or fine arts.
- 4.2.5 Disability Can Do Organisation was formed in March 2008 and the charity's main objects are:
- The relief of persons who are in need by reason of their disability, in particular but not exclusively, by improving the availability of information, support services, advice and community advocacy services for such persons and their carers;
  - The advancement of education of the general public in all areas relating to disabled persons and their carers.
- 4.2.6 The organisation's constitution states that the income and property of the charity shall be applied solely towards the promotion of the charity's objects.
- 4.2.7 The constitution also states that, on the dissolution of the charity, any assets remaining would be used firstly to meet any liabilities and then directly for the organisation's objects and by transfer to any other charity for the same or similar purposes. This satisfies the discretionary rate relief requirement for remaining assets to be used for charitable or non-profit making purposes.
- 4.2.8 Disability Can Do is a user-led charitable organisation that promotes inclusion, independence, and choice; it supports disabled adults and their carers through the provision of services and information. By helping the general public understand disability and combat discrimination, it aims to remove the barriers that stop people with disabilities from pursuing their goals and living their lives to the full.
- 4.2.9 Membership is open to individuals over eighteen or organisations approved by the charity's trustees, in particular the disabled and carers. There is no fee payable for membership.
- 4.2.10 The charity's activities include providing a telephone and web-based information service, community support programme for ex-Remploy employees, facilitation of the Caerphilly County Borough Disability Forum and providing welfare and housing support.
- 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 philanthropy, social welfare and education, as required under the regulations.
- 4.2.12 The current annual business rate liability of the organisation's premises in Pontllanfraith is £4,588 and, if the Authority were to grant 20% top-up discretionary rate relief, the cost to the Authority of awarding the relief at current levels would be £688 with the Welsh Government pool bearing the remainder of £229.
- 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 the 'Disability Can Do Organisation' and its use of the premises satisfy all of the relevant qualifying criteria.

4.2.15 **Proposal (to be implemented on 10th day of March 2015):-**

**20% top-up discretionary rate relief be awarded.**

**Slim Gym Caerphilly C.I.C. Ltd**

4.2.16 An application for discretionary rate relief has been received from the above registered Community Interest Company (CIC) in respect of their premises at Unit 5 Varlin Court, Western Industrial Estate, Caerphilly, CF83 1BQ from 6th June 2014 onwards.

4.2.17 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%.

4.2.18 A CIC is a new type of company for people wishing to establish a business that benefits the community (the population as a whole or a specific group), rather than just the owners, managers or employees. The CIC is a new legal form providing a flexible alternative to charities and industrial and provident societies, particularly suitable for those who wish to work within the relative freedom of a limited company framework without either the profit motive or charity status. To be eligible to be a CIC, an enterprise or business must pass the 'Community Interest Test'. This means that the Office of Regulator of CIC's based in Companies House, Cardiff must receive evidence that the activities of that enterprise or business are carried on for the benefit of the community to such an extent that a reasonable person would agree.

4.2.19 To be eligible for discretionary rate relief, the organisation must satisfy the following conditions:

- a) the organisation or institution occupying the premises must not be established or conducted for profit; and
- b) each of the organisation's main objects must be charitable, or otherwise philanthropic or religious, or concerned with education, social welfare, science, literature, or fine arts.

4.2.20 The company's object is to carry out its activities which benefit the community and in particular (without limitation) to provide facilities which tackles issues such as obesity, depression, cardiac rehabilitation and other such health-related issues. It does this through educating and supporting individuals and the community as a whole by providing an affordable all-inclusive health lifestyle package tackling weight management and fitness particularly, but not only to people living in Caerphilly. These objectives are achieved by supporting local charities, NHS groups, diet clubs and holding educational seminars.

4.2.21 The company's Memorandum and Articles of Association state that if the company is wound up due to insolvency and all its liabilities have been satisfied, any residual assets shall be given or transferred to the Gwent Cardiac Rehab Trust Fund, a registered charity based at St. Woolos Hospital, Newport. This satisfies the discretionary rate relief requirement for remaining assets to be used for charitable or non-profit making purposes.

4.2.22 Membership is open to individuals residing within the Caerphilly County Borough and surrounding areas with fees ranging from £5 per session, up to £25 per month or a discounted rate of £50 for 3 months. Non-members are welcome, for example, people wishing to continue rehabilitation from cardiac or pulmonary illness.

4.2.23 The company has been set up specifically to carry out the object given in point 4.2.20 above and is not established or conducted for profit. In addition, the organisation's main object is

either wholly or mainly charitable, or concerned with philanthropy, social welfare and education, as required under the regulations.

4.2.24 The Authority's policy in relation to Community Interest Companies allows for 100% discretionary relief to be awarded for premises with a rateable value up to £75,000 and 50% where the rateable value exceeds £75,000. As the rateable value of the property being used in this case is currently £25,500, 100% relief may be awarded.

4.2.25 The current annual business rate liability of the organisation's premises in Caerphilly is £12,062 and, if the Authority were to grant 100% discretionary rate relief, the cost to the Authority of awarding the relief at current levels would be £1,206 with the Welsh Government pool bearing the remainder of £10,856.

4.2.26 Taking the above matters into consideration, it appears that the organisation known as the 'Slim Gym Caerphilly CIC Limited' and its use of the premises satisfies all of the relevant qualifying criteria.

4.2.27 **Proposal (to be implemented on 10th day of March 2015):**

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

## **5. EQUALITIES IMPLICATIONS**

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

## **6. FINANCIAL IMPLICATIONS**

6.1 These are contained within the report.

## **7. PERSONNEL IMPLICATIONS**

7.1 There are no personnel implications.

## **8. CONSULTATIONS**

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

## **9. RECOMMENDATIONS**

9.1 Members note the proposed determination of the application(s) for discretionary rate relief under delegated powers which will be implemented on the 10th day of March 2015.

## **10. REASONS FOR THE RECOMMENDATIONS**

10.1 As set out throughout the report.

## **11. STATUTORY POWER**

11.1 Section 47 of the Local Government Finance Act 1988.

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Background Papers:  
Rate Relief Application Forms, contact ext 3421