



POLICY AND RESOURCES SCRUTINY COMMITTEE – 14TH JULY 2015

SUBJECT: DISCRETIONARY RATE RELIEF APPLICATIONS

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

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 21st day of July 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.

4.2 The Applications

All Nations

- 4.2.1 An application for top-up discretionary rate relief has been received from the above charity in respect of their premises at 76 Cardiff Road Caerphilly from 12th January 2015 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;
 - 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;
 - 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 and aims of All Nations are:
- The advancement of the Christian faith and in particular, charitable missionary work within the United Kingdom and worldwide;
 - To relieve people who are in conditions of need or hardship or who are aged or sick;
 - To provide and fulfil such other charitable purposes as the trustees may from time to time think fit.
- 4.2.6 The organisation's articles 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 also 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 All Nations has confirmed that it serves the local community at its premises in Caerphilly through various free-of-charge activities. Helping vulnerable people such as the lonely, elderly, homeless, ex-offenders and single mothers by providing a drop-in centre where they are listened to and supported. Providing a kid's club where crafts, teaching and games are provided, also offering a safe welcoming environment for mother and baby/toddler groups. Providing workshops focusing on key life skills such as budgeting, marriage/relationships and parenting, guidance and practical help with applying for jobs (curriculum vitae, interview skills, searching for jobs).
- 4.2.9 The volunteers are all Caerphilly residents and are based at 76 Cardiff Road which is used as an administrative centre to plan and co-ordinate activities/projects which take place at different locations within Caerphilly County Borough. Funding is currently provided by the All Nations Centre (Church) based in Heath, Cardiff.
- 4.2.10 Membership is open to anyone and there is no fee payable for membership.
- 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 is wholly or mainly charitable.

- 4.2.12 The current annual business rate liability of the organisation's premises in Caerphilly is £7471 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 £1121 with the Welsh Government pool bearing the remainder of £373.
- 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 'All Nations' and its use of the premises with a £15,500 rateable value satisfies all of the relevant qualifying criteria.
- 4.2.15 **Proposal (to be implemented on 21st day of July 2015):**

20% top-up discretionary rate relief be awarded.

Ridgeway Golf 4 All Ltd

- 4.2.16 An application for discretionary rate relief has been received from the above social enterprise company in respect of their premises at The Ridgeway Golf Range, Thornhill, Caerphilly.
- 4.2.17 This is the second such application received from this organisation; the first application and its accompanying documents failed to clearly demonstrate that the organisation was able to qualify for discretionary rate relief. A refusal letter was issued on 9th October 2014 by the Interim Head of Corporate Finance under delegated powers, explaining what was needed in order for their application to be reconsidered.
- 4.2.18 In accordance with rating legislation, applications for discretionary rate relief determined by the 30th September in any financial year may only be back dated to the 1st of April of the previous financial year. In this case the organisation became liable for business rates from 9th February 2014, however, this latest application for rate relief was not received until 8th May 2015 and consequently any decision to award relief may only be backdated to 1st April 2014.
- 4.2.19 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%.
- 4.2.20 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 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.
- 4.2.21 The company's objects are to provide recreational, educational and training opportunities that will build awareness, skills and capacity around golf and golfing activities for the community of Caerphilly and surrounding areas and in particular, for young people and adults who are socially excluded as a result of financial hardship, unemployment, poor educational or skills attainment, disability, ethnic origin or gender.

4.2.22 The objects of the social enterprise company are restricted to the following:

- The provision of training, volunteering and work experience opportunities for the community and in particular for those who are unemployed;
- Using golf and related activity as a means to transform the lives of disadvantaged people unlock the potential of individuals and families and thereby increase the resilience and cohesion of communities;
- To carry on trading activities that is in keeping with the organisation's ethos so that it can generate income to further its social objects.

4.2.23 The organisation's articles state that the income and property of the charity shall be applied solely towards the promotion of the charity's aims and objects.

4.2.24 The articles also state that, on the dissolution of the company, any assets remaining would be used firstly to meet any liabilities and then, if any surplus remains, it would be transferred 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.

4.2.25 Membership is open to individuals residing within the Caerphilly County Borough and surrounding areas. The membership fee for a junior is £30.00 per year with a year's full adult membership ranging from £59.00 to £325.00. At present there are around 30 junior members and 300 adult members.

4.2.26 The company has been set up specifically to carry out the objects set out in points 4.2.21 and 4.2.22 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, and its use of the premises is wholly or mainly for recreation purposes.

4.2.27 The Authority's policy for an organisation which falls into the category of a social enterprise, where the discretionary rate relief criteria are satisfied and where the premises used has a rateable value not exceeding £75,000 is to award 100% discretionary relief.

4.2.28 The current annual business rate liability of the organisation's premises in Caerphilly is £12,773 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 £1,277 with the Welsh Government pool bearing the remainder of £11,496.

4.2.29 Taking the above matters into consideration, it appears that the organisation known as the 'Ridgeway Golf 4 All Ltd' and its use of the premises with a £26,500 rateable value satisfies all of the relevant qualifying criteria.

4.2.30 **Proposal (to be implemented on 21st day of July 2015):**

100% discretionary rate relief be awarded from 1st April 2014

Fosters Boxing Fitness Gym - Caerphilly Warriors Amateur Boxing Club

4.2.31 An application for discretionary rate relief has been received from the above organisation in respect of its premises at Unit 5, Block H, Withey Court, Western Industrial Estate, Caerphilly from 6th August 2014 onwards.

4.2.32 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%.

- 4.2.33 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 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.
- 4.2.34 The organisation's objects, as stated in its constitution, are to help tackle the growing obesity problem by offering low cost fitness and health workshops for the community, in particular to improve the physical wellbeing and activity levels of all who attend. The organisation is passionate about fitness and sport, especially boxing. It states that its activities and relatively low membership fees overcome certain barriers of affordability and confidence for the residents of the Caerphilly County Borough.
- 4.2.35 The club is the home of Caerphilly Warriors Amateur Boxing Club and is affiliated to the Welsh Amateur Boxing Association. All volunteer Boxing Coaches are given the opportunity to take the World Series Boxing Coaching Programme; this ensures they effectively:
- communicate with boxers and all other people involved;
 - transfer the knowledge and help the understanding of the boxer; and
 - plan and conduct the training to prepare boxers for competition.
- 4.2.36 The organisation is currently producing a series of workshop classes for Caerphilly Youth Workers in relation to disadvantaged youth.
- 4.2.37 Membership is open to individuals residing within the Caerphilly County Borough and surrounding areas, with fees ranging from £3 per day to £30 per month for unlimited access to classes.
- 4.2.38 The company has been set up specifically to carry out the objects set out in point 4.2.34 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, and its use of the premises is wholly or mainly for recreation purposes.
- 4.2.39 The Authority's policy allows for between 20% and 100% discretionary rate relief to be awarded in such cases. In practice, 100% relief has been awarded where the relevant discretionary rate relief criteria are satisfied.
- 4.2.40 The current annual business rate liability of the organisation's premises in Caerphilly is £6,266 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 £627 with the Welsh Government pool bearing the remainder of £5,639.
- 4.2.41 Taking the above matters into consideration, it appears that the organisation known as the 'Fosters Boxing Fitness Gym - Caerphilly Warriors Amateur Boxing Club' and its use of the premises with a £13,000 rateable value satisfies all of the relevant qualifying criteria.

4.2.42 Proposal (to be implemented on 21st day of July 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 21st day of July 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