

**CABINET**  
**13<sup>TH</sup> JANUARY 2020**

**COUNCILLOR PAUL TAYLOR**  
**CORPORATE SERVICES PORTFOLIO HOLDER**  
**REPORT NO. FIN2026**

**KEY DECISION?**  
**YES/NO**

## **BUSINESS RATES – DISCRETIONARY RATE RELIEF APPLICATIONS**

### **SUMMARY**

This report sets out two new applications for Discretionary Rate Relief.

One application is from The Source Young People's Charity and is for 20% Discretionary Rate Relief for a charitable organisation who are in receipt of 80% Mandatory Charitable Relief.

The other application is from WSX Developments Ltd and is for 50% Discretionary Rate Relief under the Councils new Discretionary Relief Policy.

The new Policy was introduced under the Localism Act 2011 to provide the Council with the ability to discount business rates to all organisations in the borough, where they provide a benefit to the community and not limited to Charities and Not-for-Profit Organisations.

### **RECOMMENDATIONS**

Cabinet are recommended to approve the award of Discretionary Rate Relief as follows: -

- 20% Discretionary Relief to The Source Young Peoples Charity until 31 March 2022, which coincides with the end of the current rating list; and
- 50% Discretionary Relief to WSX Developments for the period 01 April 2017 – 31 March 2020.

## **1. INTRODUCTION**

1.1 The purpose of this report is to:

- Outline the background and financial implications of Discretionary Rate Relief; and
- Consider two new applications for Discretionary Rate Relief.

## **2. BACKGROUND**

- 2.1 The Local Government Finance Act 1988, as amended provides local authorities with discretionary powers to grant relief from non-domestic rates on properties occupied by charities and other non-profit organisations.
- 2.2 A local authority has discretion to grant “top up” relief of 20% to charities that had received 80% mandatory relief.
- 2.3 In addition, an authority can grant relief of up to 100% to non-profit making organisations.
- 2.4 The Localism Act 2011 introduced a new power for local authorities to award a local Discretionary Relief, in any circumstances, where it is in the Council Taxpayers interest to do so.
- 2.5 In April 2017, cabinet agreed an amendment to our existing Discretionary Rate Relief Policy to enable the council to award relief to all organisations in the borough and not limited to charities and not-for-profit organisations.
- 2.6 The amended policy is known as “Discretionary Rate Relief – For charities, not-for-profit organisations and other specified organisations under the Localism Act 2011”. Full details of this policy can be found in Appendix 1.
- 2.7 The main aims of the amendment to this policy is to provide support to those businesses who: -
  - Who are not established or conducted for profit whose main objectives are charitable; or
  - Provide facilities to certain priority groups such as the elderly, disabled, minority groups and early years childcare; or
  - Create new employment opportunities; or
  - Bring social, environmental or economic benefit to the community; or
  - Contribute towards the sustainable development of the borough.

## **3. APPLICATION 1 - THE SOURCE YOUNG PEOPLE'S CHARITY**

- 3.1 The Source Young People's Charity is a local inclusive Christian Charity that supports young people aged 14-25 years to transform their lives.
- 3.2 The Source Young People's Charity also have a business rates assessment at Imperial House, Grosvenor Road, Aldershot, which they use to provide drop-in sessions for young people, counselling rooms, mentoring and training facilities.
- 3.3 The Source Young People's Charity are in receipt of 80% Mandatory Relief and 20% Discretionary Top Up Relief for Imperial House, Grosvenor Road, Aldershot.

- 3.4 This application is for a new initiative The Source Young People's Charity have started called "Bike Start", which operates out of Browning Barracks.
- 3.5 Bike Start refurbish bikes that have been donated and sell them through their eBay shop. They provide service and repair checks to all members of the public and train groups and individuals in bike maintenance - including charity days and team bonding days for organisations.
- 3.6 All surplus income funds the work of The Source Young People's Charity.
- 3.7 The Source Young People's Charity's responses to their application are set out in Appendix 2 of this report.
- 3.8 The Corporate Services Portfolio Holder met with the Principal Revenues and Benefits Officer in respect of this application.
- 3.9 During this meeting the Portfolio Holder examined the application in detail and has set out a recommendation for the level of support that could be provided for The Source Young People's Charity as outlined in Paragraph 3.9 to 3.12 below.
- 3.10 The suggested level of support is 20% Discretionary Relief for the period 01 April 2017 to 31 March 2022, which coincides with the end of the current rating list.
- 3.11 The decision was made based on supporting a local charity, who are undertaking a venture which will not only raise money for their cause but helps a wider range of the local community in the process (by upcycling, repairing and selling bikes, good for fitness etc). The Source Young People's Charity are also providing important life skills to young, vulnerable adults through Bike Start in the form of apprenticeships and training.
- 3.12 The level of award is consistent with other local charities, where the level of support ranges from 5% to 20% Discretionary Top Up Relief. The Source Young People's Charity are also in receipt of 20% Discretionary Top Up Relief for their other assessment at Imperial House, Grosvenor Road, Aldershot.
- 3.13 More information about Bike Start can be found on their website <https://www.bikestart.co.uk>

#### **4. APPLICATION 2 - WSX DEVELOPMENTS LIMITED**

- 4.1 WSX Developments Ltd, part of WSX Enterprises, provides practical, expert and independent support programmes across the South of England, concentrating on Dorset, Hampshire and the Isle of Wight.
- 4.2 WSX Developments Ltd currently occupy St Anne's House and run serviced offices for start-up businesses covering all areas of business, providing training programmes to cover finance, digital skills, start-up guidance and general business advice. Currently they are also providing free business

advice through 1-1's, e-mail or phone exchanges with advisors and business owners.

- 4.3 WSX Developments Ltd started in a small part of the building, known as St Anne's House. They have paid all rates demanded up to this date. In 2015, they expanded into the whole of the building and has recently increased their overall rates payable for the financial years 2017/18, 2018/19, 2019/20 and 2020/21.
- 4.4 WSX Developments Ltd responses to their application are set out in Appendix 3 of this report.
- 4.5 The Corporate Services Portfolio Holder met with the Principal Revenues and Benefits Officer in respect of this application.
- 4.6 During this meeting the Corporate Services Portfolio Holder examined the application and felt that he needed to know a little bit more about the business and their operations.
- 4.7 The Principal Revenues and Benefits Officer and the Corporate Services Portfolio Holder met with WSX Developments Ltd at St Anne's House to get a better understanding of their operations.
- 4.8 In the meeting, it was established that:-
  - WSX Developments Ltd help start-up businesses grow and develop.
  - They offer the businesses a full package including online support, online training, business advice,
  - They currently have 43 businesses running from their offices with the capacity to have 63 businesses operating from their facilities
  - They have successfully helped 97 start-up businesses with a 5% failure rate. Nationally the average failure rate for start-up businesses is 60%.
  - Military spouses help run the business operation at St Anne's House and they all live locally in the borough.
  - 80 people who live in the borough are currently working in St Anne's House in these start-up businesses.
  - WSX Developments are also starting up another project called "Speed You UP" which is aimed at helping to develop the next generation to start-up businesses and will be going into local schools to run this programme.
  - If WSX Developments receive this relief then this will avoid them needing to increase the rents for tenants in the future.
- 4.9 Whilst WSX Developments Ltd are a not for profit organisation, they are part of a wider business called Southern Enterprise Alliance, who's accounts for the year ending 31 March 2019 reported a turnover of £2.4m, gross profit of £239k, with an operating profit of £4k. The operating profit is down from £20k from the previous financial year.
- 4.10 WSX Developments are currently responsible for Business Rates on the whole building. However, it has been agreed that from 1 April 2020, the

business rates assessment will be split, and the individual businesses will be responsible for the business rates.

- 4.11 However, this will not have a detrimental effect on these start-up businesses as they will receive Small Business Rate Relief and no rates will be payable. This will also minimise the rates payable for WSX Developments as their assessment will only include the communal areas and reception area.
- 4.12 This means that any financial support provided will be limited to the period 1 April 2017 to 31 March 2020.
- 4.13 Following this meeting, the suggested level of support is 50% Discretionary Relief for the period 01 April 2017 to 31 March 2021.
- 4.14 The decision was made based on the work and support that WSX Developments Limited provide to small start-up businesses.

## **IMPLICATIONS**

### **Financial Implications**

- 5.1 Since 1 April 2013, the Business Rates Retention scheme has introduced a fundamentally new set of arrangements for dealing with the cost of business rates. The cost to the Council of granting any Discretionary Rate Relief is most reliably estimated at being 40% of the value of the relief granted, although the cost is ultimately determined by a range of factors, such as the councils total rate receipts measured against its estimated threshold for growth and taking into account whether any payment levies or safety net contributions are payable or receivable.
- 5.2 The remaining 60% of the costs will be met by Central Government (50%), Hampshire County Council (9%) and Hampshire Fire and Rescue Authority (1%), under the Business Rates Retention Scheme.
- 5.3 Any award of Discretionary Rate Relief is subject to state aid limits. The De Minimis regulations allow an undertaking to receive up to €200,000 (£180,000) in any three-year period.
- 5.4 If Rushmoor BC were to award Discretionary Relief as set out in this report, the financial effect on the Council would be as follows: -

<b>The Source Young People's Charity</b>		
<b>Financial Year</b>	<b>Value of Relief</b>	<b>Cost to RBC</b>
2017/18	£1,705.44	£682.18
2018/19	£1,528.30	£611.32
2019/20	£1,562.40	£624.96
2020/21	£1,587.20	£634.88
<b>TOTAL</b>	<b>£6,383.34</b>	<b>£2,253.34</b>

WSX Developments Ltd		
Financial Year	Value of Relief	Cost to RBC
2017/18	£17,720.85	£7,088.34
2018/19	£19,103.80	£7,641.52
2019/20	£19,530.00	£7,812.00
<b>TOTAL</b>	<b>£56,3654.65</b>	<b>£22,541.86</b>

## Legal Implications

- 5.5 Section 47 of the Local Government Finance Act 1988, as amended, enables Councils to grant Discretionary Rate Relief to any Ratepayer.
- 5.6 The amended policy to award Discretionary Rate Relief enables the Council to award relief to any ratepayer and not limited to charities and not-for-profit organisations. This follows guidance and advice provided by the former Department of Communities and Local Government following the introduction of the Localism Act 2011.
- 5.7 Full details of this guidance can be found at the following web link: <https://www.gov.uk/government/publications/localism-act-2011-overview>

To summarise, page 6 reads: -

### **"Greater local control over business rates**

One of the most important things that councils can do to improve local life is to support the local economy. The Localism Act gives councils more freedom to offer business rate discounts - to help attract firms, investment and jobs. Whilst councils would need to meet the cost of any discount from local resources, they may decide that the immediate cost of the discount is outweighed by the long-term benefit of attracting growth and jobs to their area".

## 6 CONCLUSIONS

- 6.1 In conclusion, cabinet are asked to approve the award of Discretionary Rate Relief as follows: -
- The Source Young People's Charity – 20% Discretionary Rate Relief for the period 1 April 2017 to 31 March 2022; and
  - WSX Developments Limited – 50% Discretionary Rate Relief for the period 1 April 2017 to 31 March 2020
- 6.2 The Corporate Services Portfolio Holder is supportive of the applications to the level set out in this report.
- 6.3 The cases were reviewed on their own merit and the decisions were made using the Councils amended Discretionary Rate Relief Policy, which was

approved by cabinet following guidance provided by the Department of Communities and Government.

#### **BACKGROUND DOCUMENTS:**

S47 Local Government Act 1988, as amended  
Localism Act 2011  
Full applicant case files in respect of the applicants  
Rushmoor's Policy on Discretionary Rate Relief

#### **CONTACT DETAILS:**

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# Discretionary Rate Relief Policy

**For charities, not-for-profit organisations and other specified organisations under the Localism Act 2011**

## 1 Purpose of the policy

- 1.1 To determine the level of Discretionary Business Rates Relief to be granted to certain defined ratepayers within the Rushmoor Borough Council area.
- 1.2 While we are obliged to grant relief to premises that fall within the mandatory category, we also have powers to grant discretionary relief and reductions to ratepayers, subject to certain criteria being met.
- 1.3 The Local Government Finance Act 1988 and subsequent legislation allows us to grant discretionary relief for premises occupied by charities and not-for-profit organisations that own or occupy them wholly or mainly for charitable purposes.
- 1.4 Powers have also been granted under the Localism Act 2011, which allow for the granting of Discretionary Rate Relief to any premises where we feel it would be of benefit to the local community.

This document outlines the following areas:

- Details of receiving an award under the Discretionary Business Rates Relief Scheme
- Our general policy for granting discretionary relief
- Guidance on granting and administering relief
- European Union requirements including provisions of state aid.

**2**

## Introduction

- 2.1 The original purpose of Discretionary Rate Relief was to provide assistance where the property does not qualify for mandatory relief or to “top up” cases where ratepayers already receive mandatory relief.
- 2.2 Over recent years, and particularly since 2011, the discretionary relief provisions have been amended to allow the flexibility to provide more assistance to businesses and organisations.
- 2.3 Ratepayers are obliged to make a written application to us. We will expect all businesses to complete our application form and for the businesses to provide information, evidence, and audited accounts for us to determine whether relief should be awarded.
- 2.4 We are obliged to consider carefully every application on its own merits, taking into account the contribution that the organisation make to the amenities within Rushmoor.
- 2.5 The granting of relief falls broadly into the following categories:
  - Discretionary relief – Charities who already receive mandatory relief
  - Discretionary relief – Premises occupied by not-for-profit organisations whose main objectives are charitable.
  - Discretionary relief – Granted under the Localism Act 2011 provisions

Other reliefs available and are announced by government and for a temporary period. As at the financial year 2018/ 19 they are currently:

- Local Newspaper Relief (from 1 April 2017 for a period of two years)
  - Local Public House Relief (from 1 April 2017 for a period of two years)
  - Supporting Small Business Relief (from 1 April 2017, for a period of five years or until businesses pay their full rate charge)
  - Discretionary Rate Relief (revaluation) (from 1 April 2017 for a period of up to four years)
- 2.6 This policy concentrates on the granting of discretionary relief for charities which are already receiving mandatory relief, not-for-profit organisations whose main objectives are charitable and discretionary relief awarded under the Localism Act 2011.

**3**

## Our general approach to granting Discretionary Rate Relief

- 3.1 In deciding which organisations should receive discretionary rate relief, we will consider the following factors and priorities:
  - That any award should support businesses, organisations and groups that help retain services in Rushmoor and not compete directly with existing businesses in an unfair manner.
  - It should help and encourage businesses, organisations, groups and communities to become self-reliant.

- To enable appropriate organisations to start, develop or continue their activities, which deliver outcomes to the community, and that also relate to our priorities which, without granting relief, they would be unable to do so.
- To assist us in delivering services which could not be provided otherwise.
- To assist us to meet our priorities including:
  - Sustaining a thriving economy
  - Supporting and empowering our communities and meeting local needs
  - A cleaner, greener and more cultural Rushmoor; and
  - Financially sound with services fit for the future

## **4 Administration of discretionary relief – general approach**

4.1 The following section outlines the procedures followed by officers in granting, amending or cancelling discretionary relief.

### **Applications and evidence**

- 4.2 All reliefs under this policy must be applied for. Applications forms are available both electronically and in hard copy format.
- 4.3 Applications should initially be made to the Revenues and Benefits Section and will be determined in accordance with this policy.
- 4.4 Completed application forms should be returned with the following information:
- Evidence of being a registered charity or a copy of a letter from Her Majesty's Revenue and Customs (HMRC) confirming that the organisation is treated as a charity for tax purposes (if appropriate).
  - A copy of the organisation's equal opportunities policy (if the organisation has one).
  - A copy of the organisation's constitution, rulebook or Memorandum and Articles of Association.
  - Audited or certified accounts for the last two years.
  - An up-to-date trading statement showing the current financial situation of the organisation.
  - Any other document the ratepayer wishes to be taken into account in support of their application.

4.5 Discretionary relief is granted from the beginning of the financial year in which the decision is made.

4.6 Applications can be made up to six months after the end of the relevant financial year.

### **Granting of relief**

4.7 Members of our Cabinet will determine all applications, with recommendations made by the Cabinet member for Corporate and Democratic Services.

4.8 In all cases, we will notify the ratepayers of decisions made.

4.9 Where an application is successful, then the following will be notified to the ratepayer in writing.

- The amount of relief granted and the date from which it has been granted
- If relief has been awarded for a specified period, the date on which it will end
- The new chargeable amount
- The details of any planned review dates and the notice that will be given in advance of a change to the level of relief granted; and
- A requirement that the applicant should notify us of any change in circumstances that may affect entitlement to relief.

4.10 Where relief is not granted, then an explanation of the decision will be provided in writing.

### **Variation of decision**

4.11 Variations in any decision will be notified to ratepayers as soon as practicable and will take effect as follows:

- Where the amount is to be increased due to a change in rate charge or a change in our decision, which increases the award, this will apply from the date of the increase in rate charge or the date determined by us as appropriate.
- Where the amount is to be reduced due to a reduction in the rate charge or liability, including any reduction in rateable value or awarding of another relief or exemption, then this will apply from the date of decrease in the rate charge; and
- Where the amount is to be reduced for any other reason, it will take effect at the expiry of a financial year, so that at least one year's notice is given.

4.12 A decision may be revoked at any time. However, a one-year period of notice will be given and the change will take effect at the expiry of a financial year.

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- 4.13 This will be important where the change would result in the amount of the award being reduced or cancelled. For example, where the premises become unoccupied or is used for a purpose other than that determined by us as eligible for relief.
- 4.14 Where a change of circumstances is reported, the relief will, if appropriate be revised or cancelled.
- 4.15 Where a change in circumstances is not reported and it is subsequently identified that it would have reduced the relief awarded, we reserve the right to remove any award completely.

## **5 Our policy for granting discretionary relief**

- 5.1 **Discretionary Rate Relief - Charities who already received mandatory relief and organisations not established or conducted for profit whose main objectives are charitable**
- 5.2 Section 47 of the LGFA 1988 provides for the granting of Discretionary Rate Relief for the following:
  - An authority can award up to an additional 20% top up relief to charities and community amateur sports clubs (CASCs) that have received the 80% mandatory relief, or
  - An authority can grant relief of up to 100% relief to certain non-profit making organisations that do not qualify for any mandatory relief due to not holding charitable status.

The Department of the Environment (DoE) issued a practice note in August 1990 to give guidance to authorities on the criteria they should take into consideration in the exercise of the discretion to grant rate relief. Rushmoor Borough Council's Financial Support Sub Committee formerly adopted these guidelines in October 1993.

The practice note has now been supplemented by guidance issued by the Office of Deputy Prime Minister (ODPM) "Guidance on rate reliefs for charities and other non-profit making organisations" in December 2002, which in particular focuses on sports clubs.

The practice note recommends that:

- Authorities should have readily understood policies for deciding whether or not to grant relief, and for determining the amount of relief. They should not, however, adopt guidelines or rules which allows a case to be disposed of without any consideration as to its individual merits. Any criteria by which the individual case is judged should be made public to help interested individuals and bodies.

We have adopted the recommendations and guidelines in exercising our discretion in awarding discretionary rate relief to charities and not-for-profit organisations.

Where a ratepayer can demonstrate that the criteria is met, the period and value of relief granted will be solely at our discretion.

A formal application from the ratepayer will be required in each case and any relief will be granted in line with state aid requirements.

### 5.3 Discretionary relief – Localism Act 2011

Section 69 of the Localism Act 2011 allows a local authority to grant discretionary relief in any circumstances where it feels fit, having regard to the effect on the council tax payers of its area.

The provision is designed to give authorities flexibility in granting relief where it is felt that to do so would be of benefit generally to the area and be reasonable given the financial effect to council tax payers.

The government has not issued guidance in respect of how this power might be used except advising that relief “may be granted in any circumstances where a local authority sees fit, having regard to the effect on council tax payers in the area”.

The English Guide to the Act addresses this as follows:

- “The Localism Act gives councils more freedom to offer business rates discounts – to help attract firms, investment and jobs. While the local authority would need to meet the cost of any discount, it may be decided that the immediate cost of the discount is outweighed by the long-term benefit of attracting growth and jobs to their area”.

Our policy on awarding relief under The Localism Act 2011 is that any ratepayer applying for relief under these provisions which does not meet the criteria for existing relief (charities, community amateur sports clubs) and not-for-profit making organisations), must meet all of the following criteria and the amount of relief granted will be dependent on the following key factors:

- The ratepayer must not be entitled to mandatory rate relief;
- The ratepayer must not be an organisation that could receive relief as a non-profit making organisation or as a sports club or similar;
- The ratepayer must occupy the premises (no relief will be granted for unoccupied premises);
- The premises and organisation must be of significant benefit to the residents of the borough and/or relieve the council of providing similar facilities;

The ratepayer must also;

- Provide facilities to certain priority groups such as the elderly, disabled, minority groups and early years child care; or
- Have premises where new employment opportunities will be created; or
- Must bring social, environmental or economic benefit to the community; or
- Contribute to the sustainable development of the borough.

- Provide residents of the borough with such services, opportunities or facilities that cannot be obtained locally or are not provided locally by another organisation; and
- Must demonstrate that assistance (provided by the discretionary rate relief) will be for a short time only and that any business/operation is financially in the medium and long term; and
- Must show that the activities of the organisation are consistent with the council's plan.

Where a ratepayer can demonstrate that all the criteria are met, the period and value of relief granted will be solely at our discretion.

A formal application from the ratepayer will be required in each case and any relief will be granted in line with state aid requirements.

## 6 Financial matters

### **Cost of awarding relief**

6.1 The cost of relief awarded will be borne in accordance with the Business Rates Retention Scheme share - namely 50% borne by central government, 40% by the council, 9% by Hampshire County Council and 1% by Hampshire Fire and Rescue Service.

### **State aid**

6.2 The award of Discretionary Rate Relief will be state aid compliant

6.3 The issue of rate reliefs being considered as qualifying as state aid is now of some significance and is briefly explained in the "Rate Relief for Charities and other Non-Profit Making Organisations" guidance note issued by the ODPM in December 2002.

6.4 Broadly, any award of discretionary rate relief is subject to state aid de minimis limits. The regulations allow 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).

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 Rushmoor Borough Council  
July 2018

## APPENDIX 2

**Application for Discretionary Rate Relief**  
**The Source Young Peoples Charity**  
**Suite 2 Quarter Masters Stores Browning Barracks, Alison's Road, Aldershot,**  
**Hampshire, GU11 2BU**  
**Billing No. 9211674-6**



In their application The Source young Peoples Charity advise the following:-

***What are the main objects of the charity?***

To support and empower local young people to transform their lives through building their emotional intelligence, resilience and self-esteem through bespoke programmes of 1-1 and group support.

***Outline ways in which the local organisation is involved, at local, regional or national level, in developing its particular interests:***

Through our bespoke 1-1 and group programmes we support and empower local young people to build their emotional intelligence, resilience and self-esteem.

***What purpose does your organisation use the premises and facilities?***

Bike Start – our social bike project. As a sustainable source of income for the charity we refurbish and sell donated bikes, we service, and repair bikes and we provide bike maintenance training. We also provide 1-1 work, readiness and mentoring for young people.

***How would an award of relief to your organisation benefit the local community?***

An award of relief to the Source Young Peoples Charity will enable our social bike project, Bike Start, to continue to operate. Through Bike Start continuing, local people will continue to purchase affordable refurbished donated bikes, to have their bikes repaired and serviced at an affordable rate and to learn how to maintain their bike at an affordable rate.

1-2 local people per year will build their work readiness through our Bike Start work readiness mentoring programme. At least 15 additional young people per year will be supported and empowered to transform their lives through Bike Start funding and 1-1 and group programmes.

## APPENDIX 3

**WSX Developments Ltd  
St Anne's House/Mandora, Louise Margaret road, Aldershot, Hampshire, GU11  
2PP  
Billing Number – 9208366-6**



### **Discretionary Rate Relief Application**

**Type of Business: Serviced Offices and financial assistance for new businesses**

**Number of years business established: 5 years**

In their application, WSX Developmets Ltd advise the following:-

#### **Factors which have affected trade:**

“2 key factors:

1. Covid-19 crisis has significantly affected business – we had 43 tenant businesses and now only have 31;
2. Rateable value of property has been reassessed resulting in an increased of over 200% business rates, which were not applied to half the building when we expanded the centre”

#### **Reason for Application:**

“WSX Enterprise, a not for profit business support organisation, set up Aldershot Enterprise Centre with partners in 2014. We created WSX

Developments to enable us to collect rents for individual office tenants who are start up businesses and charities, from local civilian and military communities. Covid-19 has hit the centre hard and at the time of writing, 25% of the new businesses have left or folded. We keep the rents for our tenant businesses as low as possible to help them sustain the local economy and provide training and mentoring as our ethos is to try to create and grow as many businesses as possible. We are asking for a reduction in business rates this year of 50% as we recognise we need to support local services. We will pass this saving on to our tenant businesses who will accordingly pay less rent while still allowing us to cover our costs in running the centre.

The second reason for our application is the proposed significant increase in our business rates backdated to 2017. We are appealing as it will not make the centre viable at current tenant rates and we will have to increase these – something we wish to avoid. Whether or not the increased business rates are applied, we are requesting a subsidy of 50% is given to allow us to keep the new entrepreneurs businesses sustainable by paying the existing level of rent.”

### **Benefits to Local Taxpayers:**

“Aldershot Enterprise Centre was established as a public/private sector partnership to create new jobs and new businesses in the local economy. Since 2014/15 the centre has created over 400 new jobs and over 90 businesses have started and/or grown at the centre. It is not just entrepreneurs from the area who use the centre. Before lockdown, various clubs have used the centre and there is a photographic and historical display showing the history of Mandora House. We see the Enterprise Centre as a vital key to both the civilian and military communities, through creating jobs. At the end of the lease in 2022, the building will be part of the Wellesley development and we are hoping a new facility will be provided to continue the Enterprise Centre work. It is just now we have the challenge of sustaining the Centre and needing some financial support.”

### **Financial Impact**

Peter Grant, one of the Director of the business, supplied a set of accounts up to the 31 March 2018 and 31 March 2019. The company had a gross turnover in 2019 of £260,284 (£244,004 in 2018), and a net profit in 2019 of £16,146 (£20,927 in 2018).

The Running costs for 2019 are £209,657, which is an increased of circa 6% from 2018 (£198,032). This is inline with the 7% increase of Turnover, however the administrative expenses (listed as ‘Sundry’ and legal costs) have increased by circa 38% from £24,908 in 2018 to £34,370 for 2019.

The total current assets (debtors and cash in bank) as at 31<sup>st</sup> March 2019 are £55,695

(£48,389 at 31<sup>st</sup> March 2018) with amounts falling due within one year being -£123,859 at 31<sup>st</sup> March 2019 (-£132,699 at 31<sup>st</sup> March 2018). This is a total amount owed by the business of -£68,164 as at 31<sup>st</sup> March 2019.

The net profit for 2019 of £16,146 has reduced this overall debt from -£84,310 in 2018 to -£68,164 for 2019.

The rent payable is £30,150 per quarter. No arrears have been declared.