TAFLEN BENDERFYNIAD AELOD CABINET
CABINET MEMBER'S DECISION NOTICE

PWNC / SUBJECT:

Cynllun Dewisol Lleol i ddarparu Rhyddhad rhag Trethi Annomestig yn dilyn derbyn grant penodol.

Local Discretionary Scheme to provide Non Domestic Rate Relief following receipt of a specific grant.

AELOD CABINET / CABINET MEMBER:

Y Cynghorydd Peredur Jenkins / *Councillor Peredur Jenkins*

PENDERFYNIAD / DECISION:

Cyflwyno cynllun dewisol lleol i ddarparu Rhyddhad rhag Trethi Annomestig yn dilyn derbyn grant penodol yn effeithiol ar gyfer 2014/15 er mwyn dyrannu grant o £152,357 a dderbyniwyd gan Lywodraeth Cymru.

Caniatáu rhyddhad trethi ar gyfer dwy elfen o gynllun lleol i rannu'r swm, sef:
1. Gwneud defnydd o oddeutu £120,000 o'r grant (80%) ar gyfer caniatáu rhyddhad trethi i fusnesau sy'n cynhyrchu;
2. Defnyddio oddeutu £32,000 (20%) o'r grant i ganiatáu rhyddhad trethi i fusnesau sydd wedi eu heffeithio wrth gau Pont Briwet.

I ganiatáu rhyddhad trethi o hyd at £5,000 i fusnesau sy'n cynhyrchu, ac i ganiatáu rhyddhad trethi o hyd at £750 i fusnesau effeithiwyd gan gau Pont Briwet.

Awdurdodi'r Pennaeth Cyllid i ddyrannu'r grant i fusnesau sydd wedi'u hadnabod ar gyfer y ddwy elfen.

Approve the introduction of a local discretionary scheme to provide Non Domestic Rate Relief following receipt of a specific grant with effect for 2014/15 to distribute grant of £152,357 received from the Welsh Government.

To award relief in respect of two elements of a local scheme to distribute the sum, namely:
1. *To use approximately £120,000 of the grant (80%) to provide rate relief to qualifying manufacturing businesses;*
2. *To use approximately £32,000 of the grant (20%) to provide rate relief to businesses affected by the closure of Pont Briwet.*

To grant rate relief of up to £5,000 to manufacturing businesses and to grant rate relief of up to £750 to businesses affected by the closure of Pont Briwet.

To authorise the Head of Finance to allocate the grant to businesses recognised in respect of the two elements.

RHESYMAU DROS Y PENDERFYNIAD / REASONS FOR THE DECISION:

Penderfynodd Llywodraeth Cymru gynnig grant penodol o £3.5m i awdurdodau lleol Cymru er mwyn darparu rhyddhad rhag trethi yn 2014/15. Cyfran Cyngor Gwynedd o'r grant hwn yw £152,357.

Mae disgresiwn lleol i'r Cyngor ddefnyddio'r grant gan fabwysiadu cynllun lleol yn unol â phwerau rhyddhad trethi dewisol (Adran 47 o Ddeddf Cyllid Llywodraeth Leol 1988) ar gyfer gweithredu hynny.

Nid yw cyfanswm y grant yn ddigonol i wneud gwahaniaeth o sylwedd pe bawn yn ei rannu i bob busnes. Felly, rhaid dewis categorïau o fusnesau i'w cynorthwyo, a dewiswyd dwy elfen i'r cynllun:

1. busnesau sy'n cynhyrchu, ar sail eu cyfraniad i'r economi lleol o ran cyflogaeth; a
2. busnesau sydd wedi eu heffeithio wrth gau Pont Briwet.

Bwriedir cynorthwyo'r busnesau hyn trwy ddarparu rhyddhad trethi.

The Welsh Government decided to offer a specific grant of £3.5m to Welsh local authorities in order to provide rate relief during 2014/15. Gwynedd Council's share of this grant is £152,357.

There is local discretion for the Council to use the grant by adopting a scheme in accordance with discretionary rate relief powers (Section 47 of The Local Government Finance Act 1988).

The total grant is insufficient to make a discernible difference if it were distributed to every business. Consequently, categories of businesses must be selected for assistance, and two elements to the scheme were selected:

1. *manufacturing businesses, based on their contribution to the local economy as employers; and*
2. *businesses affected by the closure of Pont Briwet.*

It is intended to assist these businesses by providing rate relief.

YSTYRIAETHAU PERTHNASOL / RELEVANT CONSIDERATIONS:

<u>Y Sector Gynhyrchu</u>

Ers 2010, mae 4,286 o fusnesau bychain yn derbyn cyfran o ryddhad trethi yn unol â'r cynllun Rhyddhad Busnesau Bychan. Yn ychwanegol, mae 549 o fusnesau manwerthu yng Ngwynedd wedi derbyn hyd at £1,000 yr un o ryddhad rhag trethi eleni, yn unol â chanllawiau'r grant penodol blaenorol.

Wrth bwyso a mesur y sectorau a ddylai dderbyn cymorth y grant penodol yma, casglwyd fod rhai sectorau un ai wedi cael blwyddyn fusnes eithaf da (twristiaeth), neu wedi cael cymorth penodol eisoes (busnesau manwerthu a busnesau bychain), neu ddim yn talu treth (amaeth).

Ymddengys, fodd bynnag, na dderbyniodd y sector gynhyrchu sylw o dan y cynllun rhyddhad trethi busnesau bychan na'r cynllun rhyddhad trethi manwerthu (cynlluniau roedd wedi'u rhagnodi gan Lywodraeth Cymru).

Mae bodolaeth a datblygiad y busnesau hyn yn hwb sylweddol i'r economi leol gan eu bod yn gyflogwyr allweddol, yn cynnal swyddi parhaus (nid tymhorol) o ansawdd safonol, ac yn prynu amrediad o gyflenwadau a gwasanaethau cefnogol gan fusnesau lleol eraill. Felly, mae cyfiawnhad i ganiatáu rhyddhad trethi i fusnesau sy'n cynhyrchu.

Rhagwelir y bydd oddeutu 41 busnes yn cael budd o'r cynllun ac yn cymhwyso i dderbyn hyd at £5,000. Bydd y swm cymwys yn ddibynnol ar werth trethiannol yr eiddo gyda'r gwerthoedd a'r symiau cymwys wedi eu grwpio fel â ganlyn:

- Gwerth Trethiannol hyd at £40,000 i dderbyn hyd at £2,000 o ryddhad;
- Gwerth Trethiannol £40,001 a hyd at £79,999 i dderbyn £3,500 o ryddhad;
- Gwerth Trethiannol £80,000 a mwy i dderbyn £5,000 o ryddhad.

I ddibenion adnabod busnesau sy'n cynhyrchu, defnyddir disgrifiad eiddo "ffatrïoedd" a "chwareli" o fewn y Rhestr Drethu gyfredol.

Busnesau a effeithiwyd gan gau Pont Briwet

Mae hefyd gyfiawnhad i wneud defnydd o gyfran o'r grant i gynorthwyo'r busnesau effeithiwyd wrth gau Pont Briwet.

I ddibenion adnabod y busnesau hyn, defnyddir y diffiniad "manwerthu" a ddefnyddiwyd gan Lywodraeth Cymru yn y cynllun grant manwerthu yn gynharach eleni.

Bydd y Cyngor yn edrych i gynorthwyo pob busnes yn unol â'r diffiniad o fewn cymunedau Porthmadog (lle na ddarparwyd cymorth eisoes trwy'r Swyddfa Brisio), Penrhyndeudraeth, Maentwrog, Llanfrothen, Harlech, Talsarnau, Llanfair a Llanbedr.

Bydd oddeutu 50 busnes yn elwa trwy dderbyn rhyddhad trethi o hyd at £750. Mae'r swm yma yn gyson â chymorth a roddwyd gan Swyddfa'r Prisiwr mewn sefyllfaoedd tebyg.

Ffynhonnell Gyllido

Bydd y grant penodol yn cyllido 100% o'r rhyddhad i'r busnesau fydd yn cymhwyso.

The Manufacturing Sector

Since 2010, 4,286 small businesses receive a proportion of rate relief through the Small Business Rate Relief Scheme. In addition, 549 retail businesses in Gwynedd have received up to £1,000 rate relief each this year in accordance with guidelines issued with a previous specific grant.

When weighing up those sectors that should receive support through this specific grant, it was concluded that some sectors either had a reasonably good business year (tourism), or had already received specific assistance (retail businesses and small businesses), or are exempt from rates (agricultural).

It appears, however, that the manufacturing industry had not been considered under the small business rate relief scheme or the retail business rates relief scheme (schemes which were prescribed by the Welsh Government).

The existence and development of these businesses is a boost for the local economy, in that they are key employers, supporting continuous jobs (not seasonal) of standard quality, and purchase a range of supplies and support services from other local businesses. Hence, granting rate relief to manufacturing businesses is justified.

It is anticipated that approximately 41 businesses will benefit from the scheme and qualify to receive up to £5,000. The qualifying sum will depend on the rateable value of the property and the values and qualifying sums have been grouped as follows:

- *Rateable Value up to £40,000 to receive up to £2,000 relief;*
- *Rateable Value £40,001 and up to £79,999 to receive £3,500 relief;*
- *Rateable Value £80,000 and above to receive £5,000 relief.*

To identify the manufacturing businesses, the property descriptions "factories" and "quarries" within the current Rating List were used.

<u>Business affected by the closure of Pont Briwet</u>

There is also justification for making use of a proportion of the grant to assist those businesses affected by the closure of Pont Briwet.

To identify these businesses the "retail" definition used under the Welsh Government's retail scheme earlier this year is used.

The Council will look to assist each business within that definition in the communities of Porthmadog (for businesses which have not already received assistance through the Valuation Office), Penrhyndeudraeth, Maentwrog, Llanfrothen, Harlech, Talsarnau, Llanfair and Llanbedr.

Approximately 50 businesses will benefit from the scheme and qualify to receive up to £750. This amount is consistent with support given by the Valuation Office in similar situations.

<u>Funding Source</u>

The specific grant will finance 100% of the rate relief for the businesses that qualify.

BARN YR AELOD LLEOL / VIEW OF LOCAL MEMBER:

Er fod cyfran o'r cynllun yn cynorthwyo busnesau mewn ardal benodol, ni ystyrir fod y cynllun yn ei gyfanrwydd yn fater lleol.

Although a portion of the scheme supports businesses in a specific area, the overall scheme is not considered to be a local matter.

BARN Y SWYDDOGION STATUDOL / VIEWS OF STATUTORY OFFICERS:

1. Y Prif Weithredwr / Chief Executive:

   Fel y mae'r daflen yn nodi, mae swm y grant hwn yn rhy fychan i wneud gwahaniaeth o'i daenu'n rhy denau ac mae rhesymeg clir o blaid y ddau fwriad ac rwy'n eu cymeradwyo.

   As the notice states, the amount of this grant is too small to make a difference when distributed too thinly and there is clear logic in favour of both intentions and I recommend them.

2. Swyddog Monitro / Monitoring Officer:

   Fe nodir yr amgylchiadau penodol sydd ynghlwm â'r arian a dderbyniwyd oddi wrth y Llywodraeth. Mae'r cynllun yn ymateb pragmataidd i'r sefyllfa. Dylai'r amodau ar gyfer cymhwyso ar gyfer y rhyddhad dewisol fod yn eglur a thryloyw.

   The particular circumstances regarding the grant received from the Government are noted. The scheme is a pragmatic response to the situation. The conditions for qualifying for the discretionary relief should be clear and transparent.

3. Prif Swyddog Cyllid / Chief Finance Officer:

   Rwyf wedi cydweithio gyda'r Aelod Cabinet i baratoi'r daflen yma ac rwy'n cadarnhau cywirdeb y cynnwys.

   I have worked with the Cabinet Member in preparing this notice and can confirm the accuracy of its content.

LLOFNOD / SIGNED: **DYDDIAD / DATE:** 29/01/2015