

Summary Sheet

Council Report

Cabinet and Commissioners' Decision Making Meeting – 12 September 2016

Title

New Applications for Discretionary Rate Relief

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report

Judith Badger, Strategic Director, Finance and Customer Services

Report Author(s)

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Ward(s) Affected

All

Summary

To consider the applications made by two organisations, Grimm and Co Ltd, a registered charity, and Team Katalyst Ltd, a company established not for profit, for the award of a discretionary business rate relief for the premises listed in the report. This is in accordance with the Council's Discretionary Business Rates Relief Policy (approved 24th April 2013).

Recommendations

That 20% discretionary rate relief top up be awarded to the registered charity Grimm and Co Ltd and 100% discretionary rate relief to Team Katalyst Ltd for the premises listed in this report and in accordance with the details set out in Section 7 of this report

List of Appendices Included

None

Background Papers

Application forms and supporting documentation have been provided by the applicants

Discretionary Rate Relief Policy - Approved 24th April, 2013

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Applications have been discussed with the relevant Cabinet Member and the Member is supportive of the rate relief applications being approved.

Council Approval Required

No

Exempt from the Press and Public

No

New Applications for Discretionary Rate Relief

1. Recommendation

- 1.1 That 20% discretionary rate relief top up be awarded to the registered charity Grimm and Co Ltd and 100% discretionary rate relief to Team Katalyst Ltd for the premises listed in this report and in accordance with the details set out in Section 7 of this report.

2. Background

- 2.1 Section 47 of the Local Government Finance Act (LGFA) 1988 conveys power on local authorities to allow discretionary relief that would be additional to the mandatory relief. This is given when the property is used wholly or mainly for charitable purposes by a charity or other non-profit body whose main objects are charitable or benevolent, or concerned with education, social welfare, science, literature or the arts.

- 2.2 The Council can grant Discretionary Rate Relief to:-

- Registered Charitable Organisations, including Community Amateur Sports Clubs. The relief granted is up to 20% of the rate liability as these organisations are eligible for 80% mandatory rate relief.
- Other organisations or institutions that are not established or conducted for profit and whose aims are charitable or otherwise philanthropic, religious, concerned with education, social welfare, science, literature or fine arts. Relief can be granted up to 100% of the business rates liability.
- Properties occupied by not for profit sports or social clubs, societies or other organisations for the purposes of recreation. Relief can be granted up to 100% of the business rates liability.
- Rate relief to ratepayers - Section 47 of the LGFA 1988b was amended by Section 69 of the Localism Act 2011. This amendment gives the Council the discretion to grant relief to any other body, organisation or ratepayer, having due regard to its Council Tax payers.

- 2.2.1 Rotherham has operated a system of awarding relief through the application of a policy that was approved by the former Cabinet on 24th April 2013.

- 2.2.2 The funding for Discretionary Rate Relief was, until the introduction of the Government's Business Rates Retention Scheme (April 2014), shared with Central Government through the National Non-Domestic Rate Pool. Local authorities were reimbursed with 25% of the cost of discretionary rate relief granted to charities and Community Amateur sports Clubs, and 75% of the cost of relief granted to other bodies.

Now, with the localisation of business rates, Central Government and Councils share every £1 of rates due on a 50/50 basis as follows:

Central Government	50%
South Yorkshire Fire and Rescue Authority	1%
Rotherham MBC	49%

2.3 Application 1: Grimm and Co Ltd, The Town Gate, 1 Wellgate, Rotherham

2.3.1 Grimm and Co Ltd is a registered charity based in Rotherham Town Centre that delivers free literacy education projects to children, young people and families. The purpose of the charity is to reach, educate, inspire and nurture communities to develop aspirations and skills in literacy, including reading, writing and presentation. This is done through story workshops and other activities. The organisation runs volunteer programmes, training long term unemployed young people, family members and people not in work, in story mentoring, charity shop support, administration and volunteering skills. Volunteers are recruited from the local community and beyond and are trained and supported providing valuable work experience and a step into employment.

Although the charity does not carry out any statutory functions, RMBC Children and Young People's service is fully supportive of the work carried out and is encouraging schools and families to take up this unique offer. They acknowledge that the work is focused on raising literacy standards throughout the borough. Work being undertaken will raise the profile of Rotherham regionally and nationally.

2.3.2 Grimm and Co's application for the award of Discretionary Rates Relief meets the Council's qualifying criteria as set out in its Policy:-

- It is a registered charity that provides access to facilities open to all sections of the community; and
- It provides education and welfare support that complements the statutory services provided by the Council and is focused on work that is in line with the Council's priorities for children and young people.

2.3.3 The charity is applying for discretionary relief backdated to 1 March 2016 for the financial year ended 31 March 2016 and with regard to its 2016/17 ongoing rates liability, a period of 13 months in total. The financial implication of awarding the rate relief is set out in section 7 of this report.

2.4 Application 2: Team Katalyst Ltd, Summit 1, Mangham Road, Greasbrough, Rotherham

2.4.1 Team Katalyst Ltd is a company not established or conducted for profit. Any surplus or assets are used principally for the benefit of the community. The company aims and objectives are to increase the social, mental and physical well-being of young people by providing

activities that promote healthy lifestyles, fitness and creativity and by providing a supporting and inspiring environment that raises aspiration through education, training, volunteer and work opportunities.

Team Katalyst have a unique and purpose built performance centre which provides access to physical training and fitness classes including dance, parkour, cheerleading and martial arts.

In addition, the company has created an alternative education package for schools and specialise in working with young people who struggle in mainstream, school environments and who may be at risk of exclusion. Work carried out in the performance centre is ongoing with several schools within the borough and beyond. Bespoke packages are tailored to the schools and individual's needs and include academic and physical activity and personal and social development. Sports development qualifications and certificates are part of the offer.

The company also works with the Rotherham Youth Service and runs regular projects within the community including ongoing projects funded through the Heritage Lottery Fund, creating videos and photography and the UK Steel Enterprise, finding young aspiring entrepreneurs within the Community.

The company works on projects with young disabled children which have received local recognition. In 2015, 6 months after opening the centre, the company received the Rotherham and Barnsley Chamber of Commerce award for Community Impact.

2.4.2 Team Katalyst's application for the award of Discretionary Rates Relief meets the Council's qualifying criteria as set out in its Policy:-

- It is an organisation that provides access to facilities open to all sections of the community; and
- It provides educational and social welfare services that complements work carried out in mainstream schools.

2.4.3 The company is applying for discretionary relief backdated to 1 September 2015 for the financial year ended 31 March 2016 and with regard to its 2016/17 ongoing rates liability ,a period of 19 months in total. The financial implication of awarding the business rates relief is set out in section 7 of this report.

3. Key Issues

3.1 To consider the applications requesting the award of Discretionary Rate relief with regard to Grimm and Co Ltd and Team Katalyst Ltd.

4. Options considered and recommended proposal

4.1 Given the discretionary nature of the relief requested, the Council has the discretion to either award or not award a discretionary rate relief.

4.2 In helping Members make such a decision, the Council has put in place a specific Policy framework to consider individual applications. In accordance with that Policy, both applications (including supporting documentation) for relief have been considered in line with the qualifying criteria and other considerations set out in that Policy.

4.3 It is therefore recommended that a 20% discretionary rate relief top up is awarded to the registered charity Grimm and Co Ltd who already receive 80% mandatory charitable relief; and 100% discretionary rate relief is awarded to Team Katalyst Ltd which in line with current awards from organisations of a similar nature. The additional financial cost to the Council in supporting the applications is effectively managed within the financial planning assumptions for the Council's Statutory Collection Fund.

5. Consultation

5.1 The applications have been considered by the relevant Cabinet Member and that Member is supportive of the award of relief.

6. Timetable and Accountability for Implementing this Decision

6.1 The applicants will be advised by letter on the outcome of their application for relief within 10 working days of the Cabinet decision.

7. Financial and Procurement Implications

7.1 The total potential cost of granting the relief for both 2015/16 financial year and 2016/17 is set out below in paragraph 7.2 alongside the specific cost to the Council.

7.2 Organisation	Year	Amount of Relief	Cost to RMBC
Grimm and Co	15/16	£244.28	£119.70
	16/17	£2,907.45	£1,424.65
Team Katalyst	15/16	£10,543.94	£5,166.53
	16/17	£18,264.75	£8,949.73
Total	15/16	£10,788.22	£5,286.23
	16/17	£21,172.20	£10,374.38

8. Legal Implications

8.1 The statutory framework for discretionary rate relief is set out in the body of the report.

9. Human Resources Implications

9.1 No direct implications from this report

10. Implications for Children and Young People and Vulnerable Adults

10.1 No direct implications from this report

11. Equalities and Human Rights Implications

11.1 No direct implications from this report

12. Implications for Partners and Other Directorates

12.1 No direct implications from this report

13. Risks and Mitigation

13.1 The Government has issued guidance notes to advise Authorities what criteria should be used in considering applications for Discretionary Rate Relief. Authorities have been strongly advised to treat each individual case on its own merits and to not adopt a policy or rule which allows them to not consider each case without proper consideration. In cognisance of these guidance notes, the Council has formally adopted a Policy framework for considering individual discretionary business rates relief applications with the decision to award reserved for Cabinet.

14. Accountable Officer(s)

Approvals Obtained from:-

Pete Hudson, Chief Finance Manager, Finance.

Dermot Pearson, Assistant Director, Legal Services

Head of Procurement - Not Applicable

Rachel Humphries, Operational Manager, Local Taxation

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