

Summary Sheet

Council Report

Cabinet and Commissioners' Decision Making Meeting – 13 February 2017

Title

Annual Renewal Applications for Business Rates Discretionary Rate Relief

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

Yes

Strategic Director Approving Submission of the Report

Judith Badger, Strategic Director, Finance and Customer Services

Report Authors

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Ward(s) Affected

All

Summary

To consider 70 renewal applications for the award of a discretionary business rate relief for the organisations and premises listed in Appendix 1 of this report. This is in accordance with the Council's Discretionary Business Rates Relief Policy (approved 12 December 2016).

Recommendations

That the applications for discretionary business rate relief for the organisations listed in Appendix 1 of this report and in accordance with the details set out in Section 7 to this report be approved for one year only.

List of Appendices Included

Appendix 1 - Annual Renewal Applications for Business Rates Discretionary Rate Relief

Appendix 2 - Annual Renewal Applications for Business Rates Discretionary Rate Relief (Exempt)

Background Papers

Discretionary Rate Relief Policy - Approved 12 December 2016

Consideration by any other Council Committee, Scrutiny or Advisory Panel

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

Council Approval Required

No

Exempt from the Press and Public

Appendix 2 - Annual Renewal Applications for Business Rates Discretionary Rate Relief (Exempt) is exempt from the press and public under paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part I of Schedule 12A of the Local Government Act 1972 is requested, for this report addendum as it contains sensitive commercial information.

Annual Renewal Applications for Discretionary Rate Relief

1. Recommendation

- 1.1 That the applications for discretionary business rate relief for the organisations listed in Appendix 1 of this report and in accordance with the details set out in Section 7 to this report be approved for one year only.

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 such a relief through the application of a policy that was approved by the Cabinet on 24th April 2013 which has more recently been revised and subsequently approved by Cabinet on 12 December 2016.

- 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 Relevant details of the organisations and premises in Rotherham that are currently awarded DRR are shown in Appendix 1.

3. Key Issues

3.1 To consider the annual renewal applications requesting the award of discretionary rate relief for those organisations and premises listed in Appendix 1 with regard to their 2017/18 rates liability and in light of the Council's revised Policy. The estimated cumulative and individual financial implications of awarding rate relief are set in Section 7 and Appendix 1 of this report.

3.2 Government has put in place arrangements for the revaluation of business premises to reassess their rating liability that will take effect from 1st April 2017. Given the recentness of this revaluation exercise, the Government has yet to formally publish its Valuation List. In order to facilitate the timely production and distribution of the annual rating bills to each premise, it will be necessary, this year, to use an estimate of the annual charges and related reliefs as the details of the rateable values, transition arrangements and business rates multipliers have yet to be confirmed to local authorities.

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, applications for relief have been received and have been thoroughly reviewed and considered (including supporting documentation) in line with the qualifying criteria and other considerations set out in that Policy.

4.3 Following this review process, 2 recipients were asked to provide further information to enable their application to be fully considered. So far the additional information requested has not been received. For a further 2 organisations, no application form (despite several reminders) has been returned for review. These organisations are not included for consideration in this report.

4.4 Those listed in the appendices meet the relevant criteria, and are therefore recommended for award of discretionary rate relief.

4.5 Members are provided with additional information in exempt Appendix 2 to inform their decision making.

5. Consultation

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

6. Timetable and Accountability for Implementing this Decision

- 6.1 The applicants will be advised by letter of 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 the financial year 2017/18 is set out below in paragraph 7.2 alongside the specific cost to the Council.

7.2 Year	Total Amount of Relief	Cost to RMBC
2017/18	£636,152.08	£311,714.52

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)

Judith Badger, Strategic Director of Finance and Customer Services

Approvals Obtained from:-

Strategic Director of Finance and Customer Services:
Stuart Booth, Assistant Director, Finance.

Assistant Director of Legal Services:
Dermot Pearson, Assistant Director, Legal Services

Head of Procurement:
Not Applicable

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