

Summary Sheet

Committee Name and Date of Committee Meeting

Cabinet and Commissioners' Decision Making Meeting – 19 February 2018

Report Title

Business Rates Discretionary Relief Renewals in 2018-19

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 of Finance and Customer Services

Report Author(s)

Diane Woolley – Team Leader, Local Taxation
01709 255158 or diane.woolley@rotherham.gov.uk

Ward(s) Affected

All

Summary

To consider the renewal applications for the local awards of 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).

To consider the extension of the award of discretionary relief to rural ratepayers and qualifying public houses for a further year following the Government's decision to continue funding the relief for 2018/19.

Recommendations

1. That approval be given to 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 for 2018/19.
2. That approval be given to extend Discretionary Relief in the 2018/19 financial year for qualifying rural ratepayers and qualifying public houses.

List of Appendices Included

Appendix 1 – Business Rates Discretionary Relief Renewals in 2018/19

Appendix 2 - Business Rates Discretionary Relief Renewals in 2018/19 (Exempt)

Background Papers

Discretionary Rate Relief Policy - Approved 12 December 2016

Cabinet Report – Non Domestic Rates – New Discretionary Relief Categories from 2017-18 – Approved 10 April 2017

Cabinet Report –Business Rates Discretionary Rate Relief for Small Businesses and Pubs - Approved 16 October 2017

Business Rates Information Letter (6/2017) Rural Rate Relief

Business Rates Information Letter (8/2017) Autumn Budget

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

Appendix 2 - Business Rates Discretionary Relief Renewals in 2018/19 (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.

Business Rates Discretionary Relief Renewals in 2018-19

1. Recommendation

- 1.1 That approval be given to 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 for 2018/19.
- 1.2 That approval be given to extend Discretionary Relief in the 2018/19 financial year for qualifying rural ratepayers and qualifying public houses.

2. Background

2.1 Section 47 of the Local Government Finance Act (LGFA) 1988 conveys power to local authorities to allow discretionary relief in addition to 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 1988 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's policy for the awarding of such reliefs was approved by Cabinet on 12 December 2016.

2.2.2 Within the business rates retention scheme, 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 Rural Rate Relief

The Rural Rate Relief scheme was introduced to help protect the last retail outlets and similar services in designated rural areas with a population of less than 3,000. Under the scheme qualifying businesses are entitled to 50% mandatory relief.

2.3.1 The 2016 Autumn Statement confirmed the doubling of rural rate relief available to eligible businesses from 50% to 100% and the Government's intention to amend the relevant primary legislation from 1 April 2018 to require local authorities to grant 100% mandatory rural rate relief.

2.3.2 Local Authorities were asked to use their local discretionary powers to grant 100% relief from 1 April 2017 with the Government giving full compensation for the cost of the additional relief. A report recommending this was approved by Cabinet on 10 April 2017.

2.3.3 Currently 11 rural businesses in Rotherham qualify for 50% mandatory relief and have been awarded the additional 50% discretionary relief, at an estimated cost of £15,576, although in future others may also be eligible for this relief.

2.4 Support for Pubs

2.4.1 In the Spring Budget of 8th March 2017, the Chancellor announced the introduction of a series of new Business Rates reliefs for the 2017/18 financial year including a £1,000.00 business rates discount for public houses with a rateable value up to £100,000. Authorities were asked to use their discretionary powers to grant this relief from 1 April 2017 with the Government compensating them in full for the cost of the relief.

2.4.2 Cabinet approved the implementation of the Support for Pubs Discretionary scheme on 16 October 2017 and to date 58 awards have been made with a cost of £58,000 however, applications are continuing to be received.

3. **Key Issues**

3.1 The 74 organisations in Rotherham that are currently awarded Discretionary Rate Relief and which have reapplied for relief for the 2018-19 financial year are shown in Appendix 1. The estimated cumulative and financial implications of awarding rate relief based on the provisional multipliers announced by the Government are set out in Section 7 and Appendix 1 of this report.

3.2 Rural Rate Relief

3.2.1 The Government is asking Local Authorities to continue to use its Discretionary powers in order to extend 100% rural rate relief for the 2018/19 financial year, as the Government's intention to amend the relevant primary legislation to provide this relief has been delayed

3.2.2 Local authorities will continue to be compensated in full for their loss of income as a result of this change by a grant from central government under Section 31 of the Local Government Finance Act 2003.

3.3 Support for Pubs

3.3.1 In the Autumn Budget 2017 in November the Chancellor announced that the pub relief scheme was to continue for the 2018/19 financial year and Local Authorities can continue to use their discretionary powers to grant relief to eligible ratepayers as they have done for 2017/18. Local authorities will continue to be compensated in full for the resulting loss of income as a result of this change by a grant from central government under Section 31 of the Local Government Finance Act 2003.

4. **Options considered and recommended proposal**

- 4.1 It is the nature of discretionary relief that the Council can choose to either award or not award a discretionary rate relief.
- 4.2 To help 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 Based on the criteria set out in the Council's policy is it recommended that Discretionary Rate Relief be awarded for 2018/19 to the ratepayers in respect of the premises listed in Appendix 1.
- 4.4 Members are provided with additional information in exempt Appendix 2 to inform their decision making.
- 4.5 As the Government has made a commitment to continue to compensate authorities in full for the cost of granting discretionary relief to rural ratepayers and public houses, it is recommended that Cabinet uses its discretionary powers to continue to:
- award 100% relief to rural ratepayers for the 2018/19 financial year; and
 - to award support for pubs for the 2018/19 financial year

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 2018/19 is set out below alongside the specific cost to the Council. These figures are based on the provisional multipliers announced by the Government.

Year	Total Amount of Relief	Cost to RMBC
2018/19	£756,423.91	£370,647.71

7.3 Awards in respect of discretionary rural rate relief and pub relief will be reimbursed by way of Section 31 Grant but are estimated to cost £15,576 and £58,000 respectively.

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 individual 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.

13.2 The Government has indicated that it will fully fund proposed increases in rates relief for rural businesses and public houses.

14. Accountable Officer(s)

Judith Badger, Strategic Director of Finance and Customer Services

Approvals obtained on behalf of:-

	Named Officer	Date
Strategic Director of Finance & Customer Services	Judith Badger	02.02.2018
Assistant Director of Legal Services	Dermot Pearson	02.02.2018
Head of Procurement (if appropriate)	N/A	
Head of Human Resources (if appropriate)	N/A	

*Report Author: Diane Woolley – Team Leader, Local Taxation
01709 255158 or diane.woolley@rotherham.gov.uk*

This report is published on the Council's website or can be found at:-
<http://moderngov.rotherham.gov.uk/ieDocHome.aspx?Categories=>