

**Committee Name and Date of Committee Meeting**

Cabinet – 18 March 2019

**Report Title**

New Application for Business Rates Discretionary Relief for the Really Neet Project

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

No, but it has been included on the Forward Plan

**Strategic Director Approving Submission of the Report**

Judith Badger, Strategic Director of Finance and Customer Services

**Report Author(s)**

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**Ward(s) Affected**

Borough-Wide

**Report Summary**

To consider the application for the award of a business rate discretionary relief for the organisation listed in Section 1. This is in accordance with the Council's Discretionary Business Rates Relief Policy (approved by Cabinet on 12<sup>th</sup> December 2016).

**Recommendations**

1. That 100% discretionary relief is awarded to The Really Neet Project Ltd, 1 Chemist Lane, Rotherham S60 1NA for the period 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2020

**List of Appendices Included**

None

**Background Papers**

Discretionary Rate Relief Policy - Approved by Cabinet on 12<sup>th</sup> December 2016

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**

No

**Council Approval Required**

No

**Exempt from the Press and Public**

No

# **New Application for Business Rates Discretionary Relief for the Really Neet Project**

## **1. Background**

1.1 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

1.2 The Council can grant discretionary 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.

1.2.1 The Council has operated a system of awarding relief through the application of a policy that was approved by Cabinet on 12<sup>th</sup> December 2016.

1.2.2 Central Government and councils share every £1 of rates due as follows:

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

## **1.3 Application 1: The Really Neet Project Ltd, 1 Chemist Lane, Rotherham S60 1NA**

1.3.1 The Really Neet Project Ltd is a social enterprise not for profit organisation which aims to meet the needs of vulnerable young people through training and education.

- 1.3.2 The organisation offers innovative and engaging learning opportunities which will develop the range of skills, personal attributes and qualifications required to progress into employment or further education. The programme offers practical activity which supports the learning of maths and English together with individual learning opportunities which are flexible, engaging and varied. There is the opportunity to access learning activities different from those of mainstream providers and to engage in activities which enhance employability and enterprise skills. For the purposes of the project, vulnerable learners include teenage parents, young people leaving care, young people who are homeless and young people known to addiction services.
- 1.3.3 The Really Neet Project Ltd.'s application for the award of discretionary relief is considered to be in line with the Council's qualifying criteria as set out in its policy. The organisation is commissioned by RMBC to deliver an alternative provision programme to learners with Special Education Needs and thus provides a facility which RMBC would otherwise have to provide itself. Learners meet the criteria based on them not being able to access mainstream education due to a range of complex barriers including learning disabilities, mental health, criminal justice and sexual exploitation.
- 1.3.4 The organisation is applying for discretionary relief with regard to their 2018/19 and 2019/20 rates liability. The financial implication of awarding the relief is set out in section 6 of this report.

## **2. Key Issues**

- 2.1 To consider the application requesting the award of discretionary relief to the organisation listed in Section 1.

## **3. Options considered and recommended proposal**

- 3.1 Given the discretionary nature of the relief requested, the Council has the discretion to either award or not award a discretionary relief.
- 3.2 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 (including supporting documentation) for relief have been considered in line with the qualifying criteria and other considerations set out in that Policy.
- 3.3 In line with the Council's Business Rates Discretionary Relief Policy, having regard to the financial cost of the proposed relief, the charitable use of the premises and the contribution that this business makes to the local community, it is recommended that an award for discretionary relief be granted to the organisation listed in Section 1.

#### **4. Consultation on proposal**

4.1 The recommendations in the report are based on the application of an existing policy. There has been no specific consultation carried out in relation to any individual organisations referred to within this report

#### **5. Timetable and Accountability for Implementing this Decision**

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

#### **6. Financial and Procurement Advice and Implications**

6.1 The applicants have provided financial information in support of their applications.

6.2 The total potential cost of granting the relief for the financial years 2018/19 and 2019/20 is set out below in paragraph 6.3 alongside the specific cost to the Council.

<b>6.3 Year</b>	<b>Total Amount of Relief</b>	<b>Cost to RMBC</b>
<b>The Really Neet Project Ltd</b>		
2018/19	£4,704.00	£2,304.96
2019/20 (estimated)	£4,939.20	£2,420.21

#### **7. Legal Advice and Implications**

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

#### **8. Human Resources Advice and Implications**

8.1 No direct implications from this report

#### **9. Implications for Children and Young People and Vulnerable Adults**

9.1 The Really Neet Project offer innovative and engaging learning opportunities that will meet the requirements of vulnerable learners aged 16 – 18 (up to 25 with an educational health and care plan). Many of these young people lack the range of skills, personal attributes or qualifications to progress into employment or training. This programme will support young people by addressing these gaps.

#### **10. Equalities and Human Rights Advice and Implications**

10.1 No direct implications from this report

## 11. Implications for Partners

11.1 No direct implications from this report

## 12. Risks and Mitigation

12.1 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.

## 13. Accountable Officer(s)

Graham Saxton, Assistant Director, Financial Services.

Approvals obtained on behalf of:-

	<b>Named Officer</b>	<b>Date</b>
Chief Executive	Sharon Kemp	03/03/19
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	28/02/19
Assistant Director of Legal Services (Monitoring Officer)	Stuart Fletcher	28/02/19
Assistant Director of Human Resources (if appropriate)	N/A	N/A
Head of Procurement (if appropriate)	N/A	N/A

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