

Committee Name and Date of Committee Meeting

Cabinet – 10 June 2024

Report Title

New Applications for Business Rates Discretionary Relief for Rotherham Crossroads – Caring for Carers, The Fun Hub Nursery and RNN Group

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 applications for the award of Discretionary Business Rate Relief for Rotherham Crossroads – Caring for Carers, The Fun Hub Nursery and RNN Group. This is in accordance with the Council's Discretionary Business Rates Relief Policy (approved by Cabinet on 12th December 2016).

Recommendations

That Cabinet:

1. Approve the application for Discretionary Business Rate Relief for Rotherham Crossroads – Caring for Carers.
2. Reject the application for Discretionary Business Rate Relief for The Fun Hub Nursery.
3. Reject the application for Discretionary Business Rate Relief for RNN Group.

List of Appendices Included

Appendix 1 Initial Equality Screening Document
Appendix 2 Carbon Impact Assessment

Background Papers

Discretionary Rate Relief Policy - Approved by Cabinet on 12th 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 Applications for Business Rates Discretionary Relief for Rotherham Crossroads – Caring for Carers, The Fun Hub Nursery and RNN Group

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 as 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.

1.2.1 The Council has operated a system of awarding relief through the application of a policy that was approved by Cabinet on 12th 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

Rotherham Crossroads – Caring for Carers 29 Bridgegate, Rotherham, S60 1PL

1.3.1 Rotherham Crossroads - Caring for Carers is a registered charity which provides support for carers and the people they care for offering a full range of services for all age groups, disabilities, and health conditions. The organisation aims to relieve stress in the family, for the carer or the person with the disability, to prevent breakdowns in care or inappropriate admission

into hospital or residential care. The organisation is rated outstanding by the Care Quality Commission and excellent by RMBC.

- 1.3.2 The organisation is commissioned by the Council to provide home care and support services with a specific remit to provide support to unpaid carers to be able to continue in their caring role. The service provides added value to the contract in that unpaid carers benefit from the added support provided by the charity, such as advice and information, peer group support and access to therapies for the carer, which provides them with a break from their role.
- 1.3.3 The property for which the organisation is now applying for relief is their new charity and coffee shop on Bridgegate in Rotherham Town Centre. The organisation has relocated from its previous charity and coffee shop premises, which were also on Bridgegate, and with these larger premises can now accept donations of small furniture. It also offers a modern, totally refurbished training room for hire on ground level with disabled access.
- 1.3.4 The organisation has benefited from an award for discretionary rate relief on previous and on existing premises. The Head Office at Bradmarsh Way hosts training facilities, information and meeting areas for carers and free workshops and therapeutic services and has had an award for discretionary rate relief since April 2019. The organisation vacated its original charity and coffee shop together with additional premises being utilised for temporary storage when it moved to the new premises in February 2024.
- 1.3.5 Rotherham Crossroads - Caring for Carers' application for the award of discretionary relief is in line with the Council's qualifying criteria as set out in its policy with the facilities open to all carers with support being delivered to residents and their carers from across the borough. It is therefore recommended that the application is approved.
- 1.3.6 The organisation is applying for discretionary relief with regards to their 2023/24 and 2024/25 rates liability. The financial implication of awarding the relief is set out in Section 6 of the report.

1.4 **Application 2**

The Fun Hub Nursery Units 1 & 2 Foljambe Court, Doncaster Road, Rotherham, S65 2BF

- 1.4.1 The Fun Hub Nursery is a Community Interest Company (CIC) which aims to support families from heavily deprived areas and individuals in the community with disabilities. The hub delivers warm spaces, educational activities and community group support.
- 1.4.2 It has a Special Educational Needs and Disabilities (SEND) unit for a maximum of forty children although they do accept children without special educational needs. An increase in the number of children attending with special educational needs reduces the overall total number of children they can provide for due to these children having complex needs and, in some cases, specialist equipment.

- 1.4.3 The property is in use as a community hub as opposed to being a traditional nursery setting. The organisation strives to be a whole community organisation that is inclusive for all families. The Fun Hub Nursery registered with Ofsted as an early year's provider on 1st September 2023. The management team consider their staffing costs to be triple those of a mainstream nursery due to the number of children requiring one to one care.
- 1.4.4 The Local Authority supports all early year's providers to offer places to children with SEND, including providing Inclusion Support Grants. There was an awareness that this provider was intending to create a SEND specialist provision and whilst the number of children with SEND is increasing and the delivery is supported, it was not commissioned by the Local Authority. There are SEND children across the Borough in a variety of schools and settings.
- 1.4.5 The Fun Hub Nursery's application for the award of discretionary relief is not considered to be in line with the Council's qualifying criteria as set out in its Policy and an award of discretionary rate relief would be considered to give them an unfair advantage over other nursery provisions in the Borough. It is therefore recommended that the application is rejected.
- 1.4.6 The organisation is applying for discretionary relief with regards to their 2023/24 and 2024/25 rates liability. The financial implication of awarding the relief is set out in Section 6 of the report.

1.5 **Application 3**

RNN Group

Unit 1-3, Amber Business Centre, Rawmarsh Road, Rotherham S60 1RU

University Centre Rotherham, Doncaster Gate, Rotherham S65 1DA

Technical College, Howard Street, Rotherham S65 1JQ

Rotherham College Of Arts and Technology, Eastwood Lane, Rotherham S65 1EG

Dearne Valley College, Manvers Park, Wath Upon Dearne, Rotherham, S63 7EW

- 1.5.1 RNN Group is an education and training provider which aims to meet the needs of thousands of employers, adults and school leavers every year.
- 1.5.2 The corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting RNN Group. The Group is an exempt charity for the purposes of Part 3 of the Charities Act 2011 and is in receipt of 80% mandatory charitable business rates relief for their properties. RNN Group aims to positively engage the hard to reach by encouraging and supporting them back into education to reduce isolation and improve mental well-being. The aim is to build confidence so that students can progress into accredited provision which will give them the essential skills required to be successful in the ever-changing job market.

- 1.5.3 The properties are used for the purpose of providing education to learners as well as providing office space for the support departments. RNN Group offers inclusive education that is accessible to all members of the community and there is support available for those with barriers to learning such as low incomes or additional learning needs. There is a full range of courses on offer which allow learners to build the skills and confidence to progress on to higher levels of learning or into employment.
- 1.5.4 RNN Group has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. The financial statements for the year ended 31 July 2023 show a deficit of £2.2m but after removing items such as depreciation, pension adjustments and interest this results in a £100k surplus. The RNN Group utilise any surpluses generated in furtherance of training and education opportunities in the local area, in line with their charitable purpose.
- 1.5.5 The Group relies in part on the income of their trading subsidiary, NFPC Ltd, to pursue their charitable purposes. NFPC Ltd has recently encountered an unexpected liability following the decision of the Valuation Office to split a RNN Group assessment retrospectively. This has resulted in a retrospective liability for NFPC Ltd. RNN Group is seeking discretionary relief for their other properties to minimise the overall impact of this liability on the funds of the Group.
- 1.5.6 RNN Group's application for the award of discretionary relief is not considered to be in line with the Council's qualifying criteria as set out in its Policy as the Group is principally funded by grants from education sector funding bodies. It is therefore recommended that the application is rejected.
- 1.5.7 The organisation already receives 80% mandatory charitable relief towards their rates liability worth £530,233 for the 2023/24 year and £566,093 for the 2024/25 year and is applying for a top up of up to 20% discretionary relief with regards to their remaining 2023/24 and 2024/25 rates liability. The financial implication of awarding the relief is set out in Section 6 of the report.

2. Key Issues

- 2.1 The applications from the organisations listed in Section 1 of the report requesting an award of discretionary rate relief, have been considered against the Policy and the recommendations are based on whether or not they meet the Policy criteria.

3. Options considered and recommended proposal

- 3.1 Given the discretionary nature of the relief requested, the Council can determine either to award or not award 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 these organisations make to the local community, it is recommended that an award for discretionary relief be granted to Rotherham Crossroads – Caring for Carers and refused for The Fun Hub Nursery and RNN Group.

3.4 The alternative options were to decline to award relief to Rotherham Crossroads – Caring for Carers and to award relief to The Fun Hub Nursery and RNN Group. These options have been rejected as the application from Rotherham Crossroads – Caring for Carers meets the Council's Policy. The applications from The Fun Hub Nursery and RNN Group do not meet the Council's Policy.

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 applicants will be advised by letter of the outcome of their applications for relief within 10 working days of the Cabinet decision.

6. Financial and Procurement Advice and Implications

6.1 The applicants have completed a full application for the proposed relief to ensure compliance with the Council's discretionary scheme criteria.

6.2 The total value of the relief for the award that is recommended for the financial years 2023/24 and 2024/25 is £1,299.01. The cost to the Council is £636.52 based on the Council's 49% share.

6.3 Paragraph 6.4 shows the value of the relief by year for the recommended applicant alongside the specific cost to the Council. Paragraphs 6.5 and 6.6 detail, for information, the value of reliefs by year for the applications that are not recommended for approval, with a total value of £305,657.48 and cost to RMBC of £149,772.16.

6.4 **RECOMMENDED FOR APPROVAL:**
Rotherham Crossroads – Caring for Carers
(Did not occupy until 6 February 2024)

<u>Year</u>	<u>Total Amount of Relief</u>	<u>Cost to RMBC</u>
2023/24	£176.26	£86.37
2024/25	£1,122.75	£550.15

6.5 NOT RECOMMENDED FOR APPROVAL:

The Fun Hub Nursery

(Did not occupy until 1 September 2023)

<u>Year</u>	<u>Total Amount of Relief</u>	<u>Cost to RMBC</u>
2023/24	£11,616.07	£5,691.87
2024/25	£19,960.00	£9,780.40

6.6 NOT RECOMMENDED FOR APPROVAL:

RNN Group

<u>Year</u>	<u>Total Amount of Relief</u>	<u>Cost to RMBC</u>
2023/24	£132,558.21	£64,953.52
2024/25	£141,523.20	£69,346.37

As indicated in paragraph 1.2.2, 49% of the cost of the relief is met by the Council with 50% falling on Central Government and 1% on the South Yorkshire Fire and Rescue Service.

6.7 There are no direct procurement implications arising from the recommendations detailed in this report.

7. Legal Advice and Implications

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

7.2 A decision to refuse could be challenged, however the recommendation is made in accordance with the Council's Business Rates Discretionary Relief Policy and with consideration to the criteria.

8. Human Resources Advice and Implications

8.1 There are no direct human resources implications arising from this report.

9. Implications for Children and Young People and Vulnerable Adults

9.1 The organisations provide services to adults, children and young people throughout the borough which aim to make a difference to their lives and have a positive impact on the local community.

10. Equalities and Human Rights Advice and Implications

10.1 The recommendation in the report is to grant discretionary relief to Rotherham Crossroads – Caring for Carers only as this will positively impact the organisation ensuring continuity of service provision which helps tackle inequality. This recommendation is based on the Council's Discretionary Business Rates Relief Scheme under which other businesses are able to make an application.

11. Implications for CO2 Emissions and Climate Change

- 11.1 It is anticipated that an award of relief would not change the organisations' current operational activities and therefore will not impact CO2 emissions.

12. Implications for Partners

- 12.1 As stated in 1.2.2, 1% of the cost of any relief granted is met by the South Yorkshire Fire and Rescue Authority. In this case this cost is minimal.

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 Officers

Rob Mahon, Assistant Director, Financial Services

Approvals obtained on behalf of Statutory Officers: -

	Named Officer	Date
Chief Executive	Sharon Kemp	24/05/24
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	09/05/24
Assistant Director, Legal Services (Monitoring Officer)	Phil Horsfield	09/05/24

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