

Summary Sheet

Cabinet and Commissioners' Decision Making Meeting – 11 September 2017

Report Title

New Applications for Business Rates Discretionary Rate Relief

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

All

Summary

To consider 2 applications for the award of a discretionary business rate relief for the organisations listed in Section 2.3 to 2.4 of this report. This is in accordance with the Council's Discretionary Business Rates Relief Policy (approved 12 December 2016).

Recommendations

1. That 100% discretionary rate relief be awarded to SYTT Riverside Ltd reducing to 20% discretionary rate relief once the organisation becomes a registered charity.
2. That 100% discretionary rate relief be awarded to Dexe Skatepark (Yorkshire) Ltd from 8 March 2017 when they occupied the new premises.

List of Appendices Included

Nil

Background Papers

Discretionary Rate Relief Policy - Approved 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 Rate Relief

1. Recommendations

- 1.1 That 100% discretionary rate relief be awarded to SYTT Riverside Ltd reducing to 20% discretionary rate relief once the organisation becomes a registered charity.
- 1.2 That 100% discretionary rate relief be awarded to Dexe Skatepark (Yorkshire) Ltd from 8 March 2017 when they occupied the new premises.

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 The Council has operated a system of awarding relief through the application of a policy that was approved by the former 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 Application 1 : SYTT Riverside Ltd, Units 2 & 3 Chesterton Road, Rotherham, S65 1ST

2.3.1 SYTT Riverside Ltd is a not for profit organisation which has recently been set up to provide a low cost indoor and outdoor storage solution for preserved vehicles and to provide workshop facilities for these vehicles.

This is a new venture and the organisation will host Open Days during which visitors from both the local area and further afield will be able to see and experience vehicles from a bygone era.

An education package is to be developed which will enable local schools to benefit from educational visits. There will also be opportunities for adult workshops and apprentice training which could be delivered in partnership with local training organisations.

The organisation is run entirely by volunteers and has no paid staff.

2.3.2 SYTT Riverside Ltd's application for the award of discretionary rate relief does meet the Council's qualifying criteria as set out in its Policy. The organisation is open to all sections of the community and will organise community events in the form of Open Days which will attract not only local people but visitors from further afield. Longer term aims are to provide training and education facilities.

2.3.3 The organisation is currently in the process of becoming a registered charity and once registered will benefit from 80% mandatory relief. The financial implication of awarding rate relief at 100% pending registration is set out in Section 7 of the report. The award would reduce to 20% from the date registration is complete.

2.4 Application 2: Dext Skatepark (Yorkshire) Ltd, Unit 11 Derwent Way, Wath Upon Dearne, Rotherham S63 6EX

2.4.1 Dext Skatepark (Yorkshire) Ltd is a not for profit organisation providing a safe and supervised environment for scooters and skateboarders. The facility also houses a trampoline park and a Ninja Warrior facility.

Summer camps are available for the whole of the six week school holiday.

The organisation works with SEN and disadvantaged groups. They are also continuing to work with South Yorkshire Police to lower anti-social behaviour by working positively with challenging groups of young people.

Michala Wild, Disability Sports Officer for RMBC has confirmed that their current work with Dexe Skatepark (Yorkshire) Ltd involves the organisation offering free vouchers to their users. They are currently looking at a plan to work with users and families to offer regular sessions at a reduced rate.

2.4.2 Dexe Skatepark (Yorkshire) Ltd's application for the award of discretionary rate relief does meet the Council's qualifying criteria as set out in its Policy. The organisation is open to all sections of the community and provides sporting facilities which promote fitness and recreation. They bring together diverse communities and promote community cohesion by working with disadvantaged groups.

2.4.3 The organisation has recently moved premises and benefited from 100% discretionary rate relief on their previous premises. They have applied for relief at the same level on the existing premises. There was a period of overlap whilst the new premises were renovated and it is therefore recommended that an award of 100% discretionary rate relief is awarded from the date of occupation only, which was 8 March 2017. The financial implication of awarding rate relief at 100% is set out in Section 7 of the report..

3. Key Issues

3.1 To consider the applications requesting the award of discretionary rate relief to the organisations listed in Section 2.3 to 2.4

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 (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:-

- i) 100% discretionary rate relief is awarded to SYTT Riverside Ltd reducing to 20% discretionary rate relief once the organisation becomes a registered charity.
- ii) 100% discretionary rate relief is awarded to Dexe Skatepark (Yorkshire) Ltd from 8 March 2017 when they occupied the new premises.
- iii) Any award made is considered to be in the interests of Council Tax Payers.

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 on the outcome of their application for relief within 10 working days of the Cabinet decision.

7. Financial and Procurement Implications

- 7.1 The applicants have provided financial information in support of their application for discretionary rate relief which has been assessed by the Council's Finance department. Financial support in the form of discretionary rate relief is considered appropriate if the organisations are to expand and develop their activities.

- 7.2 The total potential cost of granting the relief for the financial years 2016/17 and 2017/18 is set out below in paragraph 7.3 alongside the specific cost to the Council.

7.3

Organisation	Year	Total Amount of Relief	Cost to RMBC
SYTT Riverside Limited	2016-17	£13,278.07	£6,506.25
	2017-18	£27,063.50	£13,261.12
Dexx Skatepark (Yorkshire) Ltd	2016-17	£1,100.69	£539.34
	2017-18	£17,656.61	£8,651.74

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:-

	Named Officer	Date
Strategic Director of Finance & Customer Services	Graham Saxton	08/08/2017
Assistant Director of Legal Services	Stuart Fletcher	07/08/2017
Head of Procurement (if appropriate)	N/A	
Head of Human Resources (if appropriate)	N/A	

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