

Public Report with Exempt Appendices  
Cabinet

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**Committee Name and Date of Committee Meeting**

Cabinet – 20 September 2021

**Report Title**

New Application for Business Rates Hardship 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**

Borough-Wide

**Report Summary**

To consider the application for Business Rates Hardship Relief in accordance with the Council's Discretionary Business Rates Relief Policy (approved by Cabinet on 12<sup>th</sup> December 2016).

**Recommendations**

1. That the application for Hardship Relief be refused.

**List of Appendices Included**

Appendix 1 Exempt Addendum to Report  
Appendix 2 Initial Equality Screening Document  
Appendix 3 Carbon Impact Assessment

**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**

Yes Appendix 1

An exemption is sought for Appendix 1 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, as Appendix 1 to the report contains the applicant's business financial information.

It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information because disclosure could jeopardise the reputation of the business and place competitors at an unfair advantage.

## **New Application for Business Rates Hardship Relief**

### **1. Background**

1.1 The Council has a duty under Section 49(1) of the Local Government Finance Act (LGFA) 1988 to consider remitting or reducing rates where a ratepayer would sustain hardship if a remission or reduction was not granted and it would be reasonable to do so after taking regard of the interests of the Council Tax Payers. Hardship relief can be granted in respect of rates on occupied and unoccupied properties.

1.2 Government guidelines advise that the granting of a remission or reduction should only be done in exceptional circumstances and consideration given to the following:-

- Whether the hardship is being suffered as a direct result of unusual factors outside the control of the business
- Would not granting the relief impact on employment within the borough
- Would relief give the business an unfair trading advantage
- Whether the business is suffering due to poor financial management.

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**

1.3.1 The application for the award of hardship relief does not meet the Council's qualifying criteria as set out in its policy.

Whilst the business made a loss in 2020/21, they were one of many companies whose trading was significantly impacted by lockdown.

Granting this relief would give the business an unfair trading advantage over its competitors.

1.3.2 The ratepayer is applying for hardship relief with regards to their 2020/21 rates liability and their liability for April 2021 and May 2021. 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 hardship relief.

## **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 hardship 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 use of the premises and the contribution that this business makes to the local community, it is recommended that an award for hardship relief be refused.

3.4 The alternative option was to award hardship relief. This has been rejected as the application does 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 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 applicant has completed a full application for the proposed relief to ensure compliance with the Councils discretionary scheme criteria. The financial information has been fully reviewed by the Finance Team.

Their recommendation is that a suitable instalment plan be agreed with the applicant to ease the cash flow burden on the business, in the expectation that sales will continue to recover in 2021/22.

6.2 The total cost of granting the relief for the financial year 2020/21 and April 2021 and May 2021 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>
2020/21	£80,896.00	£39,639.04

2021/22

£16,176.00

£ 7,926.24

## **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 No direct implications from this report.

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

10.1 No direct implications from this report.

## **11. Implications for CO2 Emissions and Climate Change**

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

## **12. Implications for Partners**

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 Officers**

Graham Saxton, Assistant Director, Financial Services

Approvals obtained on behalf of Statutory Officers: -

	<b>Named Officer</b>	<b>Date</b>
Chief Executive	Sharon Kemp	03/09/21
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	12/08/21
Head of Legal Services (Monitoring Officer)	Stuart Fletcher	20/08/21

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