

Committee Name and Date of Committee Meeting

Cabinet – 12 February 2024

Report Title

Business Rates Discretionary Relief Renewals in 2024/25

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)

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Ward(s) Affected

Borough-Wide

Report Summary

To consider the renewal applications for the 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 by Cabinet on 12th December 2016.)

Recommendations

1. That Cabinet approve 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 6 of this report, for the 2024/25 financial year.

List of Appendices Included

Appendix 1 Business Rates Discretionary Relief Renewals in 2024/25

Appendix 2 Initial Equality Screening Document

Appendix 3 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

Business Rates Discretionary Relief Renewals in 2024-2025

1. Background

1.1 Section 47 of the Local Government Finance Act (LGFA) 1988 enables local authorities to allow discretionary relief that 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.

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%

2. Key Issues

2.1 To consider the applications for the organisations in Rotherham that are currently awarded Discretionary Rate Relief and which have reapplied for relief for the 2024/25 financial year are shown in Appendix 1. The estimated financial implications of awarding relief based on the business rates multipliers for 2024/25, announced by the Government are set out in Section 6 and Appendix 1 of this report.

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. 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 for the applicants as listed in Appendix 1.
- 3.4 The alternative option was to decline to award relief. This has been rejected as the applications meet the Council's Policy.

4. Consultation on proposal

- 4.1 The recommendation in the report is 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 cost of granting the relief for the financial year 2024/25 is set out below in paragraph 6.3 alongside the specific cost to the Council. The figures are estimated and are based on the business rates multipliers for 2024/25 announced by the Government.

6.3	Year	Total Amount of Relief	Cost to RMBC
	2024/25	£ 924,073.86	£ 452,796.19

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.

- 6.4 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 The Council also has its own policy framework and any decisions made should be in accordance with that policy as referenced in Section 3 of the report.
- 7.3 Should a decision be made that is not in accordance with the statutory framework and the Policy, this will leave the Council open to legal challenge, potentially in the form of a judicial review.

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 recreational activities and/or support services to children, young people and vulnerable adults throughout the borough which aim to make a difference to the lives of people within the local community.

10. Equalities and Human Rights Advice and Implications

- 10.1 The recommendation in the report is to grant discretionary relief which will positively impact the organisations 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.

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	29/01/24
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	23/01/24
Assistant Director, Legal Services (Monitoring Officer)	Phil Horsfield	23/01/24

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