

Committee Name and Date of Committee Meeting

Cabinet – 16 December 2024

Report Title

New Application for Business Rates Discretionary Relief for Arc Church

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)

Rachel Humphries – Operational Manager, Local Taxation, Revenues, Benefits and Payments, 01709 255159 or rachel.humphries@rotherham.gov.uk

Ward(s) Affected

Borough-Wide

Report Summary

To consider the application for the award of Discretionary Business Rate Relief for Arc Church. This is in accordance with the Council's Discretionary Business Rates Relief Policy (approved by Cabinet on 12th December 2016).

Recommendations

That Cabinet approve the application for Discretionary Business Rate Relief for Arc Church in accordance with the details set out in Section 6 to this report for the 2023/2024 and 2024/25 financial years.

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 Application for Business Rates Discretionary Relief for Arc Church

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 - Arc Church, Storage Container, Community Centre, Harding Avenue, Rawmarsh, Rotherham, S62 7ED

1.3.1 Arc Church is a registered charity who are active in the local community mainly with their largest project Rawmarsh Foodbank. The foodbank is part of the Trussell Trust Network whose aim is to seek to end hunger and poverty in the UK. Foodbank vouchers are issued to local people in crisis after receiving referrals from areas including local community groups, schools, social workers, health visitors and housing and advice agencies.

- 1.3.2 The storage container, which has been brought on to the rating list and is the subject of this application, is situated in the grounds of the Drop-In Centre, Harding Avenue, Rawmarsh, Rotherham S62 7DN. It is utilised to store food that has been donated by the public and by corporate partners prior to it being distributed to those that have been referred for emergency help. The foodbank opens inside the Drop-In Centre on one evening per week when food parcels are distributed to those who have a voucher.
- 1.3.3 The aim of the foodbank is to provide three days' nutritionally balanced emergency food to local people in crisis. A maximum of three vouchers per client can be fulfilled in a six-month period unless circumstances are exceptional.
- 1.3.4 The organisation is inclusive to all and is considered to be in line with the criteria within the Council's policy.
- 1.3.5 Arc Church is applying for discretionary relief with regards to their 2023/2024 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 To consider the application for the organisation listed in Section 1 of the report requesting an award of discretionary rate relief.

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 this organisation makes to the local community, it is recommended that an award for discretionary relief be granted to Arc Church.
- 3.4 The alternative option was to decline to award relief to Arc Church. This option has been rejected as the application from Arc Church meets 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 organisation 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 Council's discretionary scheme criteria.

6.2 The total value of the relief for the financial year 2023/2024 is £88.82 as the ratepayer did not occupy the property until 27 July 2023, and for the financial year 2024/25 is £127.25. The cost to the Council is £43.52 for the financial year 2023/2024 and £62.35 for the financial year 2024/2025 based on the Council's 49% share. Paragraph 6.3 below shows the value of the relief for the applicant alongside the specific cost to the Council.

| 6.3 Year | Total Amount of Relief | Cost to RMBC |
|-----------------|-------------------------------|---------------------|
| 2023/24 | £88.82 | £43.52 |
| 2024/25 | £127.25 | £62.35 |

6.4 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.

6.5 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 recommendation is made in accordance with the Council's Business Rates Discretionary Relief Policy and with consideration to the criteria. A decision to refuse the application when the criteria set out within the policy has been met would leave the Council open to legal challenge.

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 organisation provides support to local people by providing emergency food parcels. It is part of a nationwide network of foodbanks working to combat poverty and hunger.

10. Equalities and Human Rights Advice and Implications

- 10.1 The recommendation in the report is to grant discretionary relief to Arc Church 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 Policy 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 organisation's 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 OBE | 02/12/24 |
| Strategic Director of Finance & Customer Services (S.151 Officer) | Judith Badger | 22/11/24 |
| Assistant Director of Legal Services (Monitoring Officer) | Bal Nahal | 22/11/24 |

Report Author: Rachel Humphries – Operational Manager, Local Taxation, Revenues, Benefits and Payments, 01709 255159 or Rachel.humphries@rotherham.gov.uk

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