

TONBRIDGE & MALLING BOROUGH COUNCIL
FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

22 July 2015

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)

1 APPLICATIONS FOR DISCRETIONARY RATE RELIEF

A report giving details, at Paragraph 1.1., of renewal applications for discretionary rate relief. Details of a new application for discretionary rate relief are shown at Paragraph 1.2.

The previously agreed criteria for determining applications for discretionary rate relief are attached at [ANNEX 1].

1.1 Renewal applications for discretionary rate relief

- 1.1.1 Members will be aware that discretionary rate relief can be granted (as shown at [ANNEX 1]) either as a top-up to mandatory rate relief (in respect of charitable organisations and community amateur sports clubs) or, on its own, to non profit-making organisations that are not charities etc. (and do not therefore qualify for mandatory rate relief).
- 1.1.2 Organisations that had awards of discretionary rate relief time-limited to 31 March 2015 have been invited to re-apply, and I have listed, at [ANNEX 2], the applications that have been received so far.
- 1.1.3 The annex details the level of discretionary rate relief awarded in 2014/15 and the amount of relief the organisation would receive in 2015/16 if the same level were awarded.
- 1.1.4 There is no longer a direct cost to the Council in awarding relief. However, Members should note that all awards of relief affect the Council's business rate yield; for 2015-16, based on previous criteria and level of applications, it has been estimated that £202,000 discretionary relief will be awarded.
- 1.1.5 In respect of those organisations shown at [ANNEX 2], I have considered each application and believe that each organisation meets the criteria, and is of particular benefit to the needs of the residents of the Borough. Therefore, there appear to be good grounds for continuing the current level of discretionary rate

relief in each case. Further details on each organisation (so far as I have them) can be provided, at the meeting, if requested by Members.

1.1.6 The Council's own financial position is, of course, still very challenging and it is important to recognise that whilst it may be possible to provide the level of assistance at the current time, it may not be sustainable into the future. Accordingly, Members might consider that, when writing to the organisations concerned, it would be prudent to advise the organisations that there could be a reduction in the level of relief awarded by the Council in the future should further applications for relief be made.

1.1.7 Members are **REQUESTED** to **RECOMMEND** to Cabinet that in respect of re-applications for relief as shown at **[ANNEX 2]**, 20% discretionary rate relief be awarded in each case with effect from 1 April 2015, and time-limited to 31 March 2017.

1.2 New application for discretionary rate relief

1.2.1 Since the last meeting of the Board, I have received one new application for rate relief that has reached a stage where it is ready for Members' consideration. I give below further details of this application.

1.2.2 **14th Tonbridge Sea Scout Group, Adj Sumaria, Barden Road, Tonbridge, Kent, TN9 1UJ. Rateable Value £580**

1.2.3 The applicant is a registered charity and I have therefore granted 80% mandatory rate relief. It is for Members to decide whether discretionary relief should be granted as well.

1.2.4 The applicant previously received 100% rate relief for this hut, time limited to 31 March 2013; however, the assessment was deleted by the Valuation Office on 15 November 2012 as they believed that it had been demolished as part of a redevelopment of the site.

1.2.5 It came to light in May this year that the property had in fact not been demolished, and therefore, the Valuation Office reinstated the assessment accordingly.

1.2.6 Members will note that the applicant's other assessment has been recommended for the maximum level of relief in **[ANNEX 2]**. Therefore, it appears to be appropriate to award a similar level of relief for this assessment for the period from 1 April 2013.

1.2.7 Should Members decide to award 100% discretionary relief, the applicant will receive £167.74 relief (£54.64 for 2013/14, £55.91 for 2014/15 and £57.19 for 2015/16).

1.2.8 Members are **REQUESTED** to consider the application and make an appropriate **RECOMMENDATION** to Cabinet regarding discretionary rate relief. If relief is

awarded, Members might wish, in view of the uncertainty surrounding Government funding for future financial years, to consider time-limiting any awards of relief, initially, to 31 March 2017.

1.3 Legal Implications

- 1.3.1 As the granting of relief is a discretionary action, the only implication would be a challenge by way of judicial review if an organisation were unhappy with a decision. Such a challenge can succeed only when the Council behaves unreasonably.

1.4 Financial and Value for Money Considerations

- 1.4.1 In respect of all applications for rate relief, the financial considerations of granting relief are as set out in the body of the report. If relief is not granted, there is a beneficial impact on the Council's finances. This should not prevent each application being considered on its own merits however, as there must be some degree of consistency to prevent a legal challenge.

1.5 Risk Assessment

- 1.5.1 The only risk that I am aware of is a legal challenge to the Council's decisions (see above). This is unlikely.

1.6 Equality Impact Assessment

- 1.6.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

The Director of Finance and Transformation confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and policy Framework.

Background papers:

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Applications for relief from the organisations referred to in the main body of the report received since 3 June 2015, and held in Financial Services.

Sharon Shelton
Director of Finance and Transformation