

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

13 January 2016

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 a renewal application for discretionary rate relief. Details of new applications 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 application 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], another application that has been received.
- 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 the organisation shown at [ANNEX 2], I have considered the application and believe that it 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 this case.

Further details on the 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 organisation concerned, it would be prudent to advise the organisation 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 the re-application for relief as shown at **[ANNEX 2]**, 20% discretionary rate relief be awarded with effect from 1 April 2015 and time-limited to 31 March 2017.

1.2 New applications for discretionary rate relief

- 1.2.1 Since the last meeting of the Board, I have received two new applications for rate relief that have reached a stage where they are ready for Members' consideration. I give below further details of these applications.
- 1.2.2 **KWES Kent Woodland Employment Scheme, Field Adj Stone Cottage, Maidstone Road, Hadlow, Tonbridge, Kent, TN11 0JL. Rateable Value £12,750**
- 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 is a new charity set up to provide training and employment for ex-Service personnel, young people and ex-offenders in Kent's ancient woodlands.
- 1.2.5 The trainees obtain recognised qualifications in Forestry and Silviculture that will ensure that at the end of their three year apprenticeship they can secure a worthwhile job. They are people who have served their country in the armed forces but face difficulty in the transition to life outside; those who have recently left school but are unable to find work and those who have been involved in crime but wish to make a new start.
- 1.2.6 The application is in respect of land used for training woodland apprentices. A cabin on site also provides theoretical training and practical training on how to maintain and service equipment and make green wood products.
- 1.2.7 The applicant has twenty apprentices, four team leaders and a project leader. The project leader and six apprentices live in the Borough and one other apprentice is looking for accommodation in the Hadlow/Tonbridge area.

- 1.2.8 Having considered the application, we believe the organisation meets at least two of the main criteria and therefore, Members might be inclined to grant a maximum award of 100% relief (80% mandatory relief plus 20% discretionary relief).
- 1.2.9 Should Members decide to award the maximum 20% 'top up' relief, the applicant will receive £944.58 relief (for the period 1 July 2015 to 31 March 2016).
- 1.2.10 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.
- 1.2.11 **Tonbridge Counselling Service, 1st Floor Gilbert House, River Walk, Tonbridge, Kent, TN9 1DT. Rateable Value £4,450**
- 1.2.12 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.
- 1.2.13 The applicant provides counselling for the residents of Tonbridge and the surrounding area. Counselling fees are £35 per hour session, £40 for couples. A Bursary Fund is available for those people for whom this would be too much.
- 1.2.14 The property is also used for training courses (in conjunction with Barnabas Counselling Training).
- 1.2.15 Having considered the application, we believe the organisation meets at least two of the main criteria and therefore, Members might be inclined to grant a maximum award of 100% relief (80% mandatory relief plus 20% discretionary relief).
- 1.2.16 Should Members decide to award the maximum 20% 'top up' relief, the applicant will receive £197.81 relief (for the period 19 October 2015 to 31 March 2016).
- 1.2.17 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.
- 1.2.18 **Marpaul Sports CIC, Cobdown Sports & Social Club, Station Road, Ditton, Aylesford, Kent, ME20 6BX. Rateable Value £66,000**
- 1.2.19 The applicant is a Community Interest Company and therefore, is not entitled to mandatory relief as it is neither a charity nor a community amateur sports club (CASC). It is for Members to decide whether discretionary relief should be granted and, if so, the level of relief.

- 1.2.20 The previous applicant, Cobdown Sports & Social Club, was registered as a CASC and was awarded 90% relief (80% mandatory and 10% discretionary) at the 3 June 2015 meeting of this Board (Decision Notice D150041MEM refers).
- 1.2.21 Although the new applicant does not have CASC status, its profits are reinvested in the business and community. Its main objects are to foster and promote amateur sports in Ditton and community participation in those sports along with other facilities for recreation and social activities.
- 1.2.22 The property is still used for the same purpose as the previous applicant: sports including football, bowls, croquet, squash, hockey; fitness classes; junior training in football and squash and pensioners in croquet and bowls.
- 1.2.23 As the purpose of the club is effectively unchanged, Members may consider a similar award of 90% discretionary relief to be appropriate. This would have no effect on the net yield of business rates as this amount has already been accounted for this year.
- 1.2.24 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 23 September 2015, and held in Financial Services.

Sharon Shelton
Director of Finance and Transformation