

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

01 June 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 two renewal applications 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].

The Council's policy in respect of rural rate relief is attached at [ANNEX 2].

1.1 Renewal applications for discretionary rate relief and discretionary rural 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 Members will also be aware that discretionary rural rate relief can be granted either as a top-up to mandatory rural rate relief or, on its own, in cases where mandatory rural rate relief may not be granted (as shown at [ANNEX 2]). It is the Council's policy to seek the views of the appropriate parish councils in respect of applications for rural rate relief regarding properties in their areas. However, we have not consulted the parishes in respect of these cases because they are not new applications for relief but renewal requests.

1.1.3 Organisations that had awards of discretionary rate relief time-limited to 31 March 2015 were invited to re-apply, and I have listed, at [ANNEX 3], two applications that have recently been received.

1.1.4 The annex details the levels of discretionary rate relief awarded in 2014/15 and the amount of relief the organisations would receive in 2015/16 and 2016/17 if the same levels were awarded.

- 1.1.5 For Members' information, under the discretionary relief rules, relief can be backdated to 1 April 2015 providing applications are received before 30 September 2016. The applications were received in January and March this year.
- 1.1.6 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 2016-17, based on previous criteria and level of applications, it has been estimated that £183,000 discretionary relief will be awarded.
- 1.1.7 In respect of the organisations shown at **[ANNEX 3]**, I have considered the applications and believe that they meet the criteria, and are 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 both cases. Further details on the organisations (so far as I have them) can be provided, at the meeting, if requested by Members.
- 1.1.8 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 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.
- 1.1.9 Members are **REQUESTED** to **RECOMMEND** to Cabinet that, in respect of the re-applications for relief as shown at **[ANNEX 3]**, 20% discretionary rate relief be awarded to Kings Hill Youth Centre and 30% discretionary rural rate relief be awarded to Hadlow Post Office, both 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 **Housing & Care 21, Flat 4 Watercress Court, 98 Mill Street, East Malling, West Malling, Kent, ME19 6BU. Rateable Value £6,200**
- 1.2.3 The applicant is not a registered charity, and the granting of mandatory rate relief is not, therefore, appropriate. It is for Members to decide whether discretionary relief should be granted, and if so, the level of relief.
- 1.2.4 The applicant provides rented accommodation to people over the age of 16 with a learning disability to live an independent life with accessed support from a support provider.

- 1.2.5 The application is in respect of accommodation used for: support staff to have a break; storage of paperwork; monthly meetings and for the agreed support provider to provide a 'sleep night member of staff' from 10pm to 7am who will respond to any emergency calls from tenants. The flat may also be used for multi-agency meetings and lettings panel meetings in respect of tenants (proposed or actual) at Watercress Court.
- 1.2.6 Having considered the application, we believe the organisation caters for special needs and therefore, Members might be inclined to grant a maximum award of 100% relief backdated to 1 April 2015 (as per para 1.1.5).
- 1.2.7 Should Members decide to award the maximum relief, the applicant will receive £5,976.80 relief for 2015/16 and 2016/17.
- 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.
- 1.2.9 **Hammersmith Martial Arts Club, Rear 130 Vale Road, Tonbridge, Kent, TN9 1SP. Rateable Value £22,500**
- 1.2.10 The applicant is a registered Community Amateur Sports Club and I have therefore granted 80% mandatory rate relief. It is for Members to decide whether discretionary relief should be granted as well.
- 1.2.11 The property is used for fitness and to teach martial arts (primarily Brazilian Jiu Jitsu). The focus of the operation is on health, confidence and fitness for all people, with ages ranging from 5 to over 55.
- 1.2.12 The applicant assists members who: have been made redundant; are long-term unemployed; have medical or relationship problems; have alcohol dependency and antisocial problems. The assistance provided is reducing membership fees and helping pay competition fees.
- 1.2.13 The applicant, in conjunction with the Peoples Charity and the Borough Council, helps disadvantaged teens and those at risk of offending by teaching martial arts and has halved the cost of courses to pupils of Hadlow College. A £500 donation has also been given to an under 12s football team that play throughout the Borough.
- 1.2.14 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).

1.2.15 Should Members decide to award the maximum 20% 'top up' relief, the applicant will receive £2,091.21 for the period 22 April 2015 to 31 March 2016 and £2,236.50 for the period 1 April 2016 to 31 March 2017 (as per para 1.1.5).

1.2.16 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:

contact: Glen Pritchard
01732 876146

Applications for relief from the organisations referred to in the main body of the report received since January 2016 and held in Financial Services.

Sharon Shelton
Director of Finance and Transformation