

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

20 July 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

This report gives details of a renewal application for discretionary rural rate relief.

The Council's policy in respect of rural rate relief is attached at [Annex 1].

1.1 Renewal application for discretionary rural rate relief

- 1.1.1 Members will 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 1]**). 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 this case because it is not a new application for relief but a renewal request.
- 1.1.2 An application from Hadlow Post Office was due to be considered at the 1 June 2016 meeting of this Board, however, due to information received that the post office had closed, the application was deferred to enable more information to be obtained concerning its relocation.
- 1.1.3 The owner has since contacted the Council to confirm the property was vacated 27 May 2016 and sold on 23 June 2016, therefore, Members may consider awarding relief for the period 1 April 2015 to 26 May 2016 (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.
- 1.1.4 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 2016-17, based on previous criteria and level of applications, it has been estimated that £183,000 discretionary relief will be awarded.

1.1.5 Having considered the application, I believe a maximum award of 30% relief would be consistent with similar applications. Should Members decide to award the maximum relief, the applicant will receive £1,332.05 relief (£1,153.62 for 2015/16 and £178.43 for 2016/17).

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

1.2 Legal Implications

1.2.1 As the granting of relief is discretionary, 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.

1.3 Financial and Value for Money Considerations

1.3.1 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.

1.4 Risk Assessment

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

1.5 Equality Impact Assessment

1.5.1 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 January 2016 and held in Financial Services.

Sharon Shelton
Director of Finance and Transformation