

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

20 September 2017

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 new applications for discretionary rural rate relief.

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

1.1 New applications 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]).
- 1.1.2 In respect of the organisations shown at [ANNEX 2], primary legislation has not been updated as yet, so Government expects the current award of 50% mandatory relief to be 'topped up' to 100% as per [ANNEX 3]. I have therefore not consulted the parishes accordingly. The proposed relief amounts therefore reflect the additional 50% discretionary relief. Further details on the organisations (so far as I have them) can be provided, at the meeting, if requested by Members.
- 1.1.3 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 2017-18, based on previous criteria and level of applications, it has been estimated that £224,523 discretionary relief will be awarded.
- 1.1.4 To be consistent with previous awards of relief this financial year, it is suggested that Members only consider awarding relief for 1 year (rather than previous awards of 2 years). If primary legislation is not updated by 31 March 2018, the organisations can reapply in 2018/19.
- 1.1.5 Members are **REQUESTED** to **RECOMMEND** to Cabinet that, in respect of the applications for relief as shown at [ANNEX 2], discretionary rate relief be awarded with effect from 1 April 2017 (bar Bourne Produce where relief to be awarded from 18 April 2017) and time-limited to 31 March 2018.

1.2 Discretionary Relief Policy 2018/19

- 1.2.1 I advised Members at the last meeting of this Board that the criteria for awarding relief was under review in readiness for 2018/19.
- 1.2.2 The proposed policy shown at **[ANNEX 4]** is, I believe, easier to understand for the organisations applying for relief, allows greater transparency for decisions taken and improves the efficiency of reviewing applications.
- 1.2.3 The textual changes are highlighted in red font on **[ANNEX 4]** to aid Members' reading of the revised policy.
- 1.2.4 The proposed policy will also bring the Council in line with Gravesham Borough Council, with a view to aligning the policies for the shared service next year.
- 1.2.5 Members are **REQUESTED** to **RECOMMEND** to Cabinet that the new policy is adopted from 1 April 2018.

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 & 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 July 2017 and held in Financial Services.

Sharon Shelton
Director of Finance and Transformation