

**TONBRIDGE & MALLING BOROUGH COUNCIL**

**FINANCE, INNOVATION and PROPERTY ADVISORY BOARD**

**14 May 2014**

**Joint Report of the Director of Finance and Transformation and  
Cabinet Member for Finance, Innovation and Property**

**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 of new applications for discretionary rate relief.**

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

**1.1 New 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 With the introduction of the business rate retention scheme on 1 April 2013, 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 2014-15, it has been estimated that £167,000 discretionary relief will be awarded.
- 1.1.3 Since the last meeting of the Board, we have received two new applications for rate relief, and one for renewal of relief, that have reached a stage where they are ready for Members' consideration. We give below further details of these applications.
- 1.1.4 Members' attention is also drawn to the 'main criteria' which are as follows:-

The organisation:

- 1) is a registered community amateur sports club;
- 2) has members;
- 3) gives discounts to members;

- 4) meets one or more of this Council's key priorities;
- 5) is the sole facility in its area.

**1.2 Roselands Pre-school, Higham School Road, Tonbridge, Kent, TN10 4BB. Rateable Value £17,000**

- 1.2.1 The applicant is a registered charity and we have therefore granted 80% mandatory rate relief. It is for Members to decide whether discretionary relief should be granted as well.
- 1.2.2 The applicant provides early years education for children from ages 2½ to 5 to enable a smooth transfer to primary school.
- 1.2.3 Members may recall that a renewal application from Poppy Pre-School was considered at the 24 July 2013 meeting of this Board. Members recommended that the applicant be awarded the maximum 20% discretionary 'top-up' relief award (Decision Notice D130090MEM refers).
- 1.2.4 In light of this previous decision, Members might therefore be inclined to grant a maximum award of 20%. The property is a new assessment, which came into rating with effect from 1 April 2013. Therefore, should Members decide to award 20% top-up discretionary relief, the applicant will receive an additional £3,240.20 relief.
- 1.2.5 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 2015.
- 1.2.6 **Healthy Planet Foundation, Unit 5, Burnt Ash Road, Quarry Wood Industrial Estate, Aylesford, Kent, ME20 7XB. Rateable Value £35,000**
- 1.2.7 The applicant is a registered charity and we have therefore granted 80% mandatory rate relief. It is for Members to decide whether discretionary relief should be granted as well.
- 1.2.8 The applicant's mission is to help individuals and businesses by promoting greener and healthier choices to be implemented in their everyday lives.
- 1.2.9 The property is used to store books that were destined for landfill which are then distributed for free.
- 1.2.10 As it would appear that residents of the Borough do not directly benefit from the applicant's services, Members may wish to recommend to Cabinet that relief should not be granted.

- 1.2.11 Should Members decide to award 20% top up discretionary relief, the applicant will receive an additional £4,268.25 relief.
- 1.2.12 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 2015.
- 1.2.13 **The Charity Bank Ltd, 194 High Street, Tonbridge, Kent, TN9 9BD. Rateable Value £35,250.**
- 1.2.14 The applicant has recently advised us that, following changes in capital rules for banks, the Charity Commission deemed the bank's new capital structure was incompatible with its charitable status. The applicant therefore ceased to be a registered charity from 31 May 2013 and is not entitled to 80% mandatory relief from that date.
- 1.2.15 Despite ceasing to be a registered charity, the bank retains its name 'Charity Bank' with the approval of the Charity Commission as it still has the same charitable aims and remains the only UK regulated bank that lends solely to charities, social enterprises and other social purpose organisations.
- 1.2.16 As the change in status only reflects the required technical change to the capital structure, the applicant is requesting a similar award of discretionary relief as their activities have not changed.
- 1.2.17 Should Members be inclined to grant an award of 80% discretionary relief, the applicant will receive £24,691.22 relief. The net effect on the business rate yield for 2014-15 will be nil however, as the applicant was previously in receipt of 80% mandatory relief.
- 1.2.18 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 2015.

### **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 we are aware of is a legal challenge to the Council's decisions (see above). This is unlikely.

## 1.6 Equality Impact Assessment

1.6.1 See 'Screening for equality impacts' table at end of report

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 between 17 December 2013 and 25 April 2014, and held in Financial Services.

Sharon Shelton  
Director of Finance and Transformation

Martin Coffin  
Cabinet Member for Finance,  
Innovation and Property

<b>Screening for equality impacts:</b>		
<b>Question</b>	<b>Answer</b>	<b>Explanation of impacts</b>
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	Where a grant of relief is not being recommended, the decisions could affect the viability of a business within the community thereby affecting all persons within the community rather than particular groups.

<b>Screening for equality impacts:</b>		
<b>Question</b>	<b>Answer</b>	<b>Explanation of impacts</b>
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	No	The decisions being recommended affect businesses rather than individuals.
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		Not applicable

*In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.*