

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

17 July 2019

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 renewal applications for discretionary rate relief.

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

1.1 Renewal 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 Organisations that had awards of discretionary rate relief time-limited to 31 March 2019 were invited to re-apply, and I have listed, at [ANNEX 2], an application from Carers First that has recently been received.
- 1.1.3 The annex details the level of discretionary rate relief awarded in 2018/19 and the proposed amount of relief the organisation would receive in 2019/20.
- 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 2019/20, based on previous criteria and level of applications, it has been estimated that £212,176 discretionary relief will be awarded.
- 1.1.5 Since making their application, I have been notified that the office has been re-assigned to another organisation. However, for the period of time the office was in use (1 April 2019 to 18 June 2019), I believe that they complied with the policy, and were of particular benefit to the needs of the residents of the Borough. Therefore, there appear to be good grounds for awarding the current level of discretionary rate relief in this case.

- 1.1.6 At the previous meeting of this Board, Members endorsed the practice of advising organisations that there could be a reduction in the level of relief awarded in the future. Members also recommended a requirement for organisations to reapply every two years with the exception of scout/guides groups which were regarded as “de minimis” in terms of the level of relief awarded.
- 1.1.7 Members are **REQUESTED** to **RECOMMEND** to Cabinet that, in respect of the re-application for relief as shown at **[ANNEX 2]**, discretionary rate relief be awarded for the period 1 April 2019 to 18 June 2019.
- 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 **Empathy Action, Unit 5a & 5b Cannon Bridge Works, Cannon Lane, Tonbridge, Kent, TN9 1PP. Rateable Value £30,250**
- 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 aim of the charity is to promote the prevention and relief of poverty and to advance education by providing experiential learning opportunities; undertaking research and assisting in the provision of projects to enable individuals to generate a sustainable income.
- 1.2.5 The property is used for constructing, maintaining and storing sets/equipment that are their mobile workplaces which are in use throughout the year. It is also used as rehearsal space for their team when preparing for their programmes.
- 1.2.6 As the property is used mainly for storage and the organisation is based in Tunbridge Wells, Members might be inclined to refuse an award of discretionary relief as the policy states the Council is unlikely to grant relief unless there is some specific benefit to the residents of Tonbridge & Malling Borough Council over and above the benefit to the residents of other areas in which the charity operates.
- 1.2.7 However, should Members decide to award the maximum 20% ‘top up’ relief as a ‘special case’, the applicant will receive £3,506.81 for the period 4 February 2019 to 31 March 2020.
- 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 are requested to consider time-limiting any awards of relief, initially, to 31 March 2021 as per para 1.1.6.

1.2.9 Hospice Of Hope Romania Ltd, Unit 6, The Granary, Goblands Farm, Court Lane, Hadlow, Tonbridge, Kent, TN11 0DP. Rateable Value £2,550

1.2.10 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.

1.2.11 The aim of the charity is to raise money for hospice care. Although the charity has a trading arm (Hospices of Hope Trading Ltd), this is not applicable in this case as the property is used to store hospice medical supplies. The charity is therefore the liable party for rating purposes.

1.2.12 As the property is used solely for storage, Members might be inclined to refuse an award of discretionary relief as the policy states the Council is unlikely to grant relief unless there is some specific benefit to the residents of Tonbridge & Malling Borough Council over and above the benefit to the residents of other areas in which the charity operates.

1.2.13 However, should Members decide to award the maximum 20% 'top up' relief as a 'special case', the applicant will receive £341.08 for the period 20 November 2018 to 31 March 2020.

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 April 2019 and held in Financial Services.

Sharon Shelton
Director of Finance and Transformation