

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

22 July 2020

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. Details of new applications for discretionary rate relief are shown at paragraph 1.2.

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 2020 were invited to re-apply, and I have listed, at [ANNEX 2], applications that have 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 2020/21.

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; at the start of the financial year, based on previous criteria and level of applications, it was estimated that £213,065 discretionary relief would be awarded.

1.1.5 However, with the measures introduced by Government to assist businesses/charities affected by the COVID-19 pandemic, many of the applicants are currently entitled to other discounts so do not require consideration this year.

- 1.1.6 As Central government will fully reimburse local authorities for the local share of these discounts (using a grant under section 31 of the Local Government Act 2003), the total amount of discretionary relief for 2020/21 will be significantly lower.
- 1.1.7 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.
- 1.1.8 Members are **REQUESTED** to **RECOMMEND** to Cabinet that, in respect of the re-applications for relief as shown at **[ANNEX 2]**, discretionary rate relief be awarded for the period 1 April 2020 to 31 March 2022.

1.2 New applications for discretionary rate relief

- 1.2.1 Since the last meeting of the Board, I have received three 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 **Tree Of Hope, Pt 1st Flr & 2nd Flr 19-21, Quarry Hill Road, Tonbridge, Kent, TN9 2RN. Rateable Value £ 9,900**
- 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 applicant is a national crowdfunding charity that helps children and young people with a disability or illness by supporting their families to raise the money they need to pay for specialist care that is not freely available through the UK healthcare system.
- 1.2.5 The property is their registered office, which is used to run the charity. They have no other offices around the country.
- 1.2.6 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 Therefore, as the charity is just based in Tonbridge, Members may feel an award of relief is not appropriate.
- 1.2.8 However, should Members decide to award the maximum 20% ‘top up’ relief as a ‘special case’, taking into account the objects of the charity, the applicant will receive £1,013.76 for the period 1 April 2020 to 31 March 2021.
- 1.2.9 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 2022 as per para 1.1.7.

- 1.2.10 **Samaritan's Purse International Limited, 77-81 High Street, Tonbridge, Kent, TN9 1RX. Rateable Value £113,000**
- 1.2.11 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.
- 1.2.12 This is a retrospective application for the period 4 November 2019 to 3 January 2020 when the property was used by the West Kent branch of the Operation Christmas Child charity shoebox appeal.
- 1.2.13 The property was used for the receiving, storing and checking of over 28,000 shoeboxes donated in Kent and Sussex for customs and health and safety compliance of gifts, cartoning and loading on lorries for export to children in need in Eastern Europe, Central Asia, West Africa and the Middle East.
- 1.2.14 This activity was undertaken by 526 local volunteers of all ages led by trained local volunteer supervisors. Further information is shown at **[ANNEX 3]**.
- 1.2.15 The applicant has used two other vacant properties in the Borough over the last three years, but has never previously applied for discretionary relief. They said that, if an award of 20% 'top up' relief was granted, they would request to occupy the premises again from 1 August 2020 to 1 January 2021 so that local volunteers could store and prepare equipment and additional gifts and train other volunteers ready for processing shoeboxes from early November.
- 1.2.16 However, since the application was made, another organisation has taken occupation of the premises, and has a licence to April 2021 (see paragraph 1.2.20).
- 1.2.17 As the property was used mainly for storage and has subsequently been occupied by another organisation, 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.
- 1.2.18 However, should Members decide to award the maximum 20% 'top up' relief as a 'special case', the applicant will receive a £1,944.79 refund as they have already paid the rates liability for the period.
- 1.2.19 Members are **REQUESTED** to consider the application and make an appropriate **RECOMMENDATION** to Cabinet regarding discretionary rate relief.

1.2.20 Refugease, 77-81 High Street, Tonbridge, Kent, TN9 1RX. Rateable Value £113,000

- 1.2.21 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.
- 1.2.22 The property has been used for storage of humanitarian aid since a 1 year licence was granted on 8 April 2020. The applicant has advised they will also be sectioning off the front of the shop to use as a charity shop (selling second hand donated items, and furniture) and will be using the side room (opening up onto Botany) as their office.
- 1.2.23 As the property is currently 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 and that it is unlikely to grant relief to charity shops or shops operated by the trading arms of charities.
- 1.2.24 However, should Members decide to award the maximum 20% 'top up' relief as a 'special case', the applicant will receive £11,349.29 for the period 8 April 2020 to 31 March 2021.
- 1.2.25 Members are **REQUESTED** to consider the application and make an appropriate **RECOMMENDATION** to Cabinet regarding discretionary rate relief.

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.

1.7 Recommendations

- 1.7.1 Members are **REQUESTED** to **RECOMMEND** to Cabinet that, in respect of the re-applications for relief as shown at **[ANNEX 2]**, discretionary rate relief be awarded for the period 1 April 2020 to 31 March 2022.
- 1.7.2 Members are **REQUESTED** to consider the application from Tree of Hope 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 2022 as per para 1.1.7.
- 1.7.3 Members are **REQUESTED** to consider the application from Samaritan's Purse International Limited and make an appropriate **RECOMMENDATION** to Cabinet regarding discretionary rate relief.
- 1.7.4 Members are **REQUESTED** to consider the application from Refugease and make an appropriate **RECOMMENDATION** to Cabinet regarding discretionary rate relief.

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:

contact: Glen Pritchard

Applications for relief from the organisations referred to in the main body of the report received since April 2020 and held in Financial Services.

Sharon Shelton
Director of Finance and Transformation