

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

15 September 2021

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 of renewal applications for discretionary rate relief. Details of new applications for discretionary rate relief and amendments to previous awards are also brought forward for Members' consideration.

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 not required to reapply for the 2020/21 financial year as all were entitled to 100% Expanded Retail Discount.
- 1.1.3 As this discount has now reduced to 66% effective 1 July 2021, organisations have been invited to re-apply for discretionary relief from that date, and I have listed, at **[ANNEX 2]**, applications that have recently been received.
- 1.1.4 The annex details the levels of discretionary rate relief awarded in 2019/20 and the proposed amount of relief the organisations would receive in 2021/22.
- 1.1.5 For Members' information, under the discretionary relief rules, relief can be backdated to 1 April 2020 providing applications are received before 30 September 2021. The applications were received during June, July and August this year.
- 1.1.6 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 2021/22, based on previous criteria and level of applications, it has been estimated that £206,933 discretionary relief will be awarded.

- 1.1.7 In respect of the organisations shown at **[ANNEX 2]**, I have considered the applications and believe that they comply with the policy and are of particular benefit to the needs of the residents of the Borough. Therefore, there appear to be good grounds for continuing the current level of discretionary rate relief in all cases.
- 1.1.8 The Council's own financial position is, of course, still very challenging and it is important to recognise that whilst it may be possible to provide the level of assistance at the current time, it may not be sustainable into the future. Accordingly, Members might consider that, when writing to the organisations concerned, it would be prudent to advise the organisations that there could be a reduction in the level of relief awarded by the Council in the future should further applications for relief be made.
- 1.1.9 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 with effect from 1 July 2021 and time-limited to 31 March 2023.

1.2 Amendments to previous awards of discretionary rate relief

- 1.2.1 It has come to light that two applications for discretionary relief were incorrectly reported at the last meeting of this Board on 21 July 2021. I apologise to members for these oversights.
- 1.2.2 In respect of the renewal application for 1st Ditton Scout Group, the recommendation should have stated that no time limit on the award was appropriate. This is consistent with similar applications that have been received (Decision No. D180029MEM refers).
- 1.2.3 The renewal application for K Sports Management Ltd also stated on ANNEX 3 to the 21 July 2021 report that 90% discretionary relief was awarded in 2019/20. This should have been 70%, the amount that was awarded for the period 1 April 2018 to 31 March 2020.
- 1.2.4 Members are **REQUESTED** to **RECOMMEND** to Cabinet that, in respect of the renewal application for 1st Ditton Scout Group, the award of 20% discretionary relief be amended to show no time limit.
- 1.2.5 Members are **REQUESTED** to **RECOMMEND** to Cabinet that, in respect of the renewal application for K Sports Management Ltd, the award of 90% discretionary relief be amended to 70% discretionary relief for the period 1 July 2021 and time-limited to 31 March 2023.

1.3 New application for discretionary rate relief

Since the last meeting of the Board, I have received one new application for rate relief that has reached a stage where it is ready for Members' consideration. I give below further details of this application.

- 1.3.1 **Tonbridge & Malling Leisure Trust, The Sports Pavilion, 200 Beacon Avenue, Kings Hill, West Malling, Kent, ME19 4FX. Rateable Value £5,100.**
- 1.3.2 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.
- 1.3.3 The Leisure Trust took over the property from Kings Hill Parish Council on 14 June 2021.
- 1.3.4 The property is used as the Trust's head office, and for the provision of indoor leisure and golf. It is also used for catering and retail associated with the delivery of the objects outlined within their Articles of Association.
- 1.3.5 The Trust has been awarded 100% expanded retail discount for the period 14 June 2021 to 30 June 2021 and 66% expanded retail discount from 1 July 2021.
- 1.3.6 An award of 20% discretionary relief for the period 1 July 2021 to 31 March 2023 seems appropriate as this would be consistent with similar applications that have been received (Decision No. D210075MEM refers).
- 1.3.7 Should Members decide to award the maximum 20% 'top up' relief, the applicant will receive £133.29 for the period 1 July 2021 to 31 March 2022.
- 1.3.8 Members are **REQUESTED** to consider the application and make an appropriate **RECOMMENDATION** to Cabinet regarding discretionary rate relief.

1.4 Legal Implications

- 1.4.1 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.

1.5 Financial and Value for Money Considerations

- 1.5.1 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.

1.6 Risk Assessment

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

1.7 Equality Impact Assessment

- 1.7.1 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.

1.8 Policy Considerations

- 1.8.1 Community

1.9 Recommendations

- 1.9.1 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 with effect from 1 July 2021 and time-limited to 31 March 2023.
- 1.9.2 Members are **REQUESTED** to **RECOMMEND** to Cabinet that, in respect of the renewal application for 1st Ditton Scout Group, the award of 20% discretionary relief be amended to show no time limit.
- 1.9.3 Members are **REQUESTED** to **RECOMMEND** to Cabinet that, in respect of the renewal application for K Sports management Ltd, the award of 90% discretionary relief be amended to 70% discretionary relief for the period 1 July 2021 and time-limited to 31 March 2023.
- 1.9.4 Members are **REQUESTED** to consider the application for Tonbridge & Malling Leisure Trust 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
01732 876146

Applications for relief from the organisations referred to in the main body of the report received since June 2021 and held in Financial Services.

Sharon Shelton
Director of Finance and Transformation