

## Policy in Respect of Rural Rate Relief

### Introduction

Tonbridge & Malling Borough Council recognises the importance of local facilities to the life of rural communities. To this end the Council supports the legislation that allows the Council to:

- Grant rate relief to village shops, post offices, petrol filling stations and public houses (mandatory rural rate relief).
- Allows the Council, at its discretion, to top up any mandatory rural rate relief that has been granted (discretionary rural rate relief).
- Permits the Council, at its discretion, to grant relief to other businesses in rural areas where the use of premises occupied by the businesses is of benefit to the local community but where the business does not qualify for mandatory rural rate relief (discretionary rural rate relief).

### The legislative background

Rural rate relief – whether mandatory or discretionary – may be granted only if a property is located within a rural settlement. Rural settlements are defined by reference to the Council's Rural Settlement List. The List is available for inspection at the Council's office at Kings Hill.

### The rural settlements

As at September 2014, the following are defined as rural settlements:

Addington	Golden Green/Barnes St	Plaxtol
Addington Clearway	Hadlow Village	Ryarsh
Aylesford Village	Hale Street	Shipbourne
Basted	Herne Pound	Snoll Hatch
Birling	Hildenborough Village	Stansted
Blue Bell Hill	Ightham	Trottiscliffe
Burham	Ivy Hatch	Wateringbury
Crouch	Little Mill	West Malling
Dunks Green	Mereworth Village	West Peckham
Eccles	Offham	Wouldham
East Malling Village	Oldbury	Wrotham
East Peckham Village	Peckham Bush	Wrotham Heath
Fairseat	Platt	

### Mandatory rural rate relief

Mandatory rural rate relief can be granted to the following types of property:

Type of property	Rateable value limit £
General stores	8,500
Post offices	8,500
Public houses	12,500
Petrol filling stations	12,500
Food shops	8,500

Where a property qualifies for mandatory rural rate relief, then the relief is given at the rate of 50% of the rates liability for the property.

If the rateable value of a property exceeds the rateable value limit, then no mandatory rural rate relief may be granted.

### **Discretionary rural rate relief**

Discretionary rural rate relief may be granted either to top up an award of mandatory rural rate relief or where the property does not qualify for mandatory rural rate relief. Where the discretionary relief tops up mandatory relief, the discretionary relief added to the mandatory relief cannot exceed the total rates due for the property. Discretionary relief on its own cannot be granted for a property where the rateable value for the property exceeds £16,500.

This following policy sets out the guidelines that the Council will follow in considering whether to grant discretionary rural rate relief.

## **The policy**

### **Policy objectives**

In formulating this policy, the Council wishes to maintain the diversity of local shops available to the residents of Tonbridge & Malling who live in rural areas by building on the provisions of the mandatory rural rate relief scheme.

### **General considerations**

Although all applications will be entertained, the Council wishes to target relief primarily at properties that are providing essential facilities for the local community, e.g. general stores, post offices and food shops (eg butchers and bakers), where the number of such facilities in any settlement is limited and mandatory rural rate relief has been awarded. Further references to shops in this policy should be read accordingly.

The Council will consider granting relief to other businesses that are demonstrably important to the life of the community, such as a sole public house or petrol filling station, primarily serving the local catchment area.

As a general rule, the Council takes the view that the amount of relief that it would grant should decrease as the number of shops in a rural settlement increases.

The Council recognises that a number of rural settlements have already lost all of their shops. In recognition of this fact, the Council might be willing to consider granting discretionary rate relief of 50%, on top of mandatory rate relief of 50%, or 100% discretionary rate relief, in respect of businesses opening in such settlements. The Council would be willing to grant such relief for the first two calendar years from the date the business commences trading.

### **Discretionary relief (top-up relief) in cases where mandatory rural rate relief applies**

In respect of shops (general stores and food shops) and post offices, the Council will generally be willing to grant discretionary relief of 30% (in addition to 50% mandatory rural rate relief) where the shop or post office is the only such property within the rural settlement and it has already qualified for mandatory relief.

In respect of public houses and petrol filling stations, the Council will consider granting discretionary relief of 30% (in addition to 50% mandatory rural rate relief) where the public house or petrol filling station is the only such property within the rural settlement and it has already qualified for mandatory relief.

**Discretionary rate relief in cases where mandatory rural rate relief does not apply**

Where the property would, but for its rateable value, qualify for mandatory rural rate relief, the Council will consider granting discretionary relief of 80%.

Where the property is not the only property of its type within the rural settlement, and is therefore excluded from gaining mandatory rural rate relief, the Council will consider granting 60% relief where there are two such properties and 40% relief where there are three such properties (i.e. each property would receive either 60% or 40% relief). The Council will not normally grant relief where there are more than three such properties.

**Limitations**

As a general rule, the Council will not normally consider granting relief for a particular property where the total of the mandatory and discretionary relief sought by the applicant would exceed 80% of the rates bill.

**Procedure**

The Council will give consideration to any application for discretionary rate relief from a business operating in a settlement within a rural area.

**Consultation**

It is the Council's intention that parish councils should play a role in the decision making process on applications for relief. Therefore, before making a decision on whether relief should be granted in any particular case, the Borough Council will seek the views of the appropriate parish council.

**Financial considerations**

The Council, in formulating this policy, also bears in mind the cost of any relief granted to the residents of the Borough as a whole.

Applicants for discretionary rural rate relief should note that the cost of relief falls partly on the Council. As such, in determining the level of relief to be granted, the Council must have regard to its budgetary position. Although the Council will aim to achieve equality between organisations in terms of the level of relief that it grants, this might not always be possible. The Council has the right, subject to giving the requisite notice required by law, to vary the level of relief that it has previously granted either in respect of a particular organisation or in respect of a class of organisation or to all organisations in receipt of relief.

**Interaction with other reliefs**

Where a property is eligible for mandatory rural rate relief and small business rate relief, it shall receive rural rate relief.

Where a property is eligible for mandatory rural rate relief, mandatory charitable rate relief and small business rate relief, it shall receive charitable rate relief.

**Period of relief**

Any grant of relief shall normally be given for a fixed period not exceeding three years.