

MAIDSTONE BOROUGH COUNCIL

CABINET MEMBER FOR CORPORATE SERVICES

REPORT OF THE ASSISTANT DIRECTOR OF CUSTOMER SERVICES

Report prepared by Tony Jeyes

Date Issued: 25 February 2010

1. NATIONAL NON-DOMESTIC RATES – DISCRETIONARY, CHARITABLE RATE RELIEF

1.1 Issue for Decision

1.1.1 This report is in respect of an application for discretionary rate relief from Jennifer Price.

1.2 Recommendation of Assistant Director of Customer Services

1.2.1 That no discretionary rate relief be awarded, as it is not considered that the application falls within current council policy.

1.3 Reasons for Recommendation.

1.3.1 The Council's current policy regarding rate relief for charitable and other similar organisations is as follows:-

<u>CHARITY/ ORGANISATION</u>	<u>RELIEF</u>
Religious	80% (Mandatory, no Discretionary)
Charity Shops	80% (Mandatory, no Discretionary)
Educational	80% (Mandatory, no Discretionary)
Welfare	80% (Mandatory, no Discretionary)
Recreational	80% (Mandatory, no Discretionary)
Youth	100% (80%Mandatory 20%Discretionary) (excluding School primary/secondary/further education)
Village Halls	100% (80% Mandatory,20%Discretionary)

1.3.2 Schools are specifically excluded from qualifying under the Youth category element to avoid any complications that might arise as a result of an application being received from a school that does not qualify for relief under the Education provision.

1.3.3 The Cabinet Member will note that the current policy does not currently allow for any discretionary rate relief to be awarded, with the exception of the amounts listed in the Youth Organisations and Village Halls categories.

1.3.4 **Jennifer Price**

Jennifer proposes to occupy an assessment in Maidstone and her application is as follows

My name is Jennifer Price and I am the Head organiser of a non-profit art exhibition that we plan to hold in Maidstone town centre early next year for two weeks. I have gathered together a large group of Maidstone artists from the famous (Graham Clarke, and awaiting confirmation from Vic Reeves) to recent graduates and those still studying (students of UCA) and wish to exhibit their work for their town to see. I believe it is important for a town to know its own artists and likewise for an artist to know his/her town. The aim of this project is to bring all aspects of Maidstone together with art, in this case, as its catalyst. It is about community. We have sponsorship from local Maidstone businesses, support from local galleries, help from local people and would love to include the local council in this too.

Another of our key aims is to utilise space created by the recession, and work with the recession as our theme. We want to take a vacant building and turn it into a gallery for two weeks. I believe there are quite a few benefits to this. One of these benefits is that it shows the vacant lots possibilities to possible buyers, and promotes regeneration. Another benefit is that it creates a less daunting space for the local people to see art in, and prevents the alienation that galleries can sometimes cause on its potential viewers. We see this as a chance to show a whole new audience the art they have on their own doorstep. We will support the theme of the recession and regeneration further by presenting affordable, original artwork for them to buy (with all the payment going straight to the artist).

However, being a non-profit event we are struggling with some elements of our costs. Through sponsorship and donation 'in kind' of time and skills we have been able to cover a lot of our costs and begin to make this event a success, but we have a large amount still to cover. We are hoping that the council will see our event as acceptable for discretionary rate relief. Having discussed the rates on the size of building we are looking at with very helpful members of your team we believe the rates for two weeks will amount to around £800. This is a really hard blow for us. I understand we are not a registered charity and that as it is run solely by myself, with the help of a team of artists as my management team, we may not be the obvious choice. However, I strongly believe in this project and its possibilities for Maidstone Community as a whole, and hope its benefits to the community are taken into account. We are currently designing our publicity material (10,000 postcards, 200 a4 posters, 100 a3 posters – all donated through sponsorship by Maidstone Businesses). I would love to be able to add "with support from Maidstone Borough Council".

I hope to hear from you soon

- 1.3.5 Miss Price has indicated that the occupation will be of a unit the size of 24 High Street, Maidstone for a period of some two weeks. This assessment has a rateable value of £42,250 with a current annual charge of approximately £20,500.00. On this basis, the rates due for a two week period of occupation will be in the region of £1,630.00.
- 1.3.6 If 80% discretionary Rate Relief were awarded, this would amount to approximately £1,304.00. 11. As no mandatory rate relief has been allowed, only 25% of any discretionary relief is borne by the billing authority. The awarding of 80% discretionary rate relief will mean that there is a charge of some £326.00 to the Council's General Fund.
- 1.3.7 If 100% discretionary Rate Relief were awarded, this would amount to approximately £1,630.00. As no mandatory rate relief has been allowed, only 25% of any discretionary relief is borne by the billing authority. The awarding of 100% discretionary rate relief will mean that there is a charge of some £407.50 to the Council's General Fund.
- 1.3.8 As stated above, these are only proposed costs for a proposed period of occupation. The true costs cannot be known unless and until an occupation occurs, but Ms Price has asked whether or not the council would be prepared to support this venture.
- 1.3.9 An alternative would be to cap an amount of relief to ensure that the council knows the maximum cost that it might incur in the event that relief is awarded. If the council were to agree relief that would cost the council a maximum of £400.00, this would mean that rates up to a value of £1,600.00 would effectively be met by discretionary rate relief. Miss Price would then be aware that she would have to pay any rate liability in excess of £1,600.00.

1.4 Impact on Corporate Objectives

1.4.1 None

1.5 Risk Management

1.5.1 There is the possibility that if relief is awarded, then another organisation seeking relief may apply for discretionary relief where they do not qualify for mandatory relief. Such risk is felt to be minimal, as the Council has its policy and this Member decision can be justified on the basis of the existing policy.

1.6 Other Implications [Insert an 'X' in the boxes below to indicate if the recommendations will have any implications in the specified area]

1.6.1

1.	Financial	X
2.	Staffing	
3.	Legal	X
4.	Equality Impact Needs Assessment	
5.	Environmental/Sustainable Development	
6.	Community Safety	
7.	Human Rights Act	
8.	Procurement	
9.	Asset Management	

1.6.2 The financial details and legal implications are listed above.

Is this a Key Decision?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If yes, when did it appear in the Forward Plan? _____				
Is this an Urgent Key Decision?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
<u>Reason for Urgency</u>				

How to Comment

Should you have any comments on the issue that is being considered please contact either the relevant Officer or the Member of the Executive who will be taking the decision.

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