

SOUTH LAKELAND DISTRICT COUNCIL

South Lakeland House Kendal, Cumbria LA9 4UQ

www.southlakeland.gov.uk



**You are requested to attend a meeting of
the Discretionary Rate Relief Sub-Committee,
sitting as an Appeals Panel,
on Wednesday, 26 November 2014,
on the rising of the meeting of Cabinet,
in the District Council Chamber, South Lakeland House,
Kendal**

Membership

Councillors

Giles Archibald
Jonathan Brook
Peter Thornton

Town Centres and Small Business Portfolio Holder
Strategic Growth Portfolio Holder
Leader of the Council and Promoting South Lakeland
and Finance Portfolio Holder

Monday, 17 November 2014

Debbie Storr, Director of Policy and Resources (Monitoring Officer)

For all enquiries, please contact:-

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AGENDA

Page Nos.

PART I

1 ELECTION OF CHAIRMAN

To elect a Chairman for the meeting.

2 APOLOGIES

To receive apologies for absence, if any.

3 DECLARATIONS OF INTEREST

To receive declarations by Members of interests in respect of items on this Agenda.

Members are reminded that, in accordance with the revised Code of Conduct, they are required to declare any disclosable pecuniary interests or other registrable interests which have not already been declared in the Council's Register of Interests. (It is a criminal offence not to declare a disclosable pecuniary interest either in the Register or at the meeting.)

Members may, however, also decide, in the interests of clarity and transparency, to declare at this point in the meeting, any such disclosable pecuniary interests which they have already declared in the Register, as well as any other registrable or other interests.

If a Member requires advice on any item involving a possible declaration of interest which could affect his/her ability to speak and/or vote, he/she is advised to contact the Monitoring Officer at least 24 hours in advance of the meeting.

4 LOCAL GOVERNMENT ACT 1972 - EXCLUDED ITEMS

To consider whether the items, if any, in Part II of the Agenda should be considered in the presence of the press and public.

5 APPEAL AGAINST DECISION TO REFUSE AN APPLICATION FOR DISCRETIONARY RATE RELIEF MADE BY KENDAL ARTS INTERNATIONAL LTD - 53034481

3 - 14

To consider an appeal against a decision of the Discretionary Rate Relief Sub-Committee.

PART II

Private Section (exempt reasons under Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, specified by way of paragraph number)

There are no items in this Part of the Agenda.

**South Lakeland District Council
Discretionary Rate Relief Sub-Committee
26 November 2014**

**CONSIDERATION OF APPEAL AGAINST
DISCRETIONARY RATE RELIEF SUB COMMITTEE
DECISION TO REFUSE AN APPLICATION FOR
DISCRETIONARY RATE RELIEF MADE BY KENDAL
ARTS INTERNATIONAL LTD - 53034481**

PORTFOLIO:	Councillor Graham Vincent – Health and Wellbeing Portfolio Holder
REPORT FROM:	Assistant Director (Resources) and Section 151 Officer
REPORT AUTHOR:	Ross McLaughlin – Revenues Officer (BIDs and Reliefs).
WARDS:	Not Applicable
KEY DECISION NO:	Not Applicable

1.0 EXPECTED OUTCOME

1.1 Members will consider an appeal made by Kendal Arts International Ltd against a decision of the Discretionary Rate Relief Sub-Committee on 23rd July 2014 to refuse an application for discretionary rate relief. Members will determine the appeal by reference to the policy guidelines for determining applications shown at Appendix 1 to this report, and the letter of appeal at Appendix 2.

1.2 Members are requested to provide reasons for the decision on determination of the appeal.

2.0 RECOMMENDATION

2.1 It is recommended that the Sub-Committee:-

- (1) considers the points raised in the letter of appeal at Appendix 2 with reference to the policy guidelines at Appendix 1; and**
- (2) determines whether or not the appeal should be allowed and if so the appropriate % relief to be awarded in the case and provide reasons for the decision.**

BACKGROUND AND PROPOSALS

3.1 Under Executive Decision DRR/5 on 23rd July 2014 an application for discretionary rate relief made by Kendal Arts International Ltd was refused as

the organisation did not meet the criteria set out in the policy guidelines shown at Appendix 1.

3.2 The application was refused as it was felt that the activities of the organisation did not sufficiently benefit residents of the district, when compared to the cost that awarding relief would have placed on the tax payer. The services provided by the organisation were not deemed to be exceptional in nature.

3.3 Kendal Arts International Ltd has sent a letter of appeal shown at Appendix 2

4.0 CONSULTATION

4.1 A full public consultation exercise was undertaken prior to introduction of the new policies.

5.0 ALTERNATIVE OPTIONS

5.1 Members are required to determine the appeal and may decide to allow or refuse the appeal.

6.0 LINKS TO COUNCIL PRIORITIES

6.1 The award of discretionary rate relief to arts organisations is to help achieve our priorities and targets set out in the Council Plan.

7.0 IMPLICATIONS

7.1 Financial and Resources

7.1.1 Within the Business Rate Retention Scheme budget a sum of £119,736 has been allocated to the award of discretionary rate relief. The Assistant Director Resources has delegated powers to determine cases up to a maximum limit of £10,000 in any individual case. To date awards totalling £ 111,427.13 have been made leaving an unspent balance of £ 8308.37.

7.1.2 Business Rates payable by Kendal Arts International Ltd for 2014/2015 amount to £ 1335.35 after the award of Small Business Rate Relief of £ 2479.75. A balance of £ 7028.02 remains outstanding in respect of the property previously occupied by Kendal Arts International Ltd.

7.1.3 The Council's Chief Accountant, has made the following observations:

- (1) The accounts supplied are draft accounts, so any comments are provisional. Kendal Arts international should be asked to submit final signed accounts for year ending 31/03/2013 and preferably some draft accounts for year ending 31/3/2014
- (2) For the year ending 31/03/2013 a surplus of around £ 15,500 was made. This brought total reserves to £ 49,100, £ 40,000 of which was held as cash.
- (3) For 2013 there is £ 29,900 in relation to 'irrecoverable VAT'. We should clarify Kendal Arts International's treatment of VAT and the impact, if any, on their reserves.

7.1.4 South Lakeland District Council awarded grants to Kendal Arts International totalling £50,000 for 2011/12, £24,000 for 2012/13 and £35,000 for 2013/14.

7.2 Human Resources

7.2.1 Not Applicable

7.3 Legal

7.3.1 Section 47 (2) (c) of the Local Government Finance Act 1988 gives the Council discretion to determine the chargeable amount where the property is used wholly or mainly for the purposes of recreation, and all or part of it is occupied for the purposes of a club, society or other organisation not established or conducted for profit.

7.4 Social, Economic and Environmental

7.4.1 A sustainability impact assessment has not been carried out as this is an individual application.

7.4.2 Any awards or refusals of applications are considered to have a neutral impact on sustainability.

7.5 Equality and Diversity

7.5.1 An equality and diversity impact assessment has not been carried out.

7.5.2 An assessment has not been undertaken, as this is based on a previously agreed Council policy for which an assessment was undertaken.

7.6 Risk

Risk	Consequence	Controls required
A decision may be made which does not comply with legislation.	The auditor may qualify the final pool contribution and the Department for Communities and Local Government could adjust the final return with the costs of this award being met by the Council.	A set of policy guidelines, which have been prepared to comply with legislation.
A decision may be made that creates a precedent for other similar applications.	The Council would not have budgetary resources to meet further large applications.	The policy guidelines are adhered to with reasons given as to why particular cases are considered to qualify. Close monitoring of the budget profile.

CONTACT OFFICERS

Report Author – Ross McLaughlin, Revenues Officer (BID's and Reliefs)

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APPENDICES ATTACHED TO THIS REPORT

Appendix No.	
1	GUIDELINES FOR DETERMING APPLICATIONS FOR DISCRETIONARY RATE RELIEF FROM CHARITABLE AND OTHER NON-PROFIT MAKING ORGANISATIONS.
2	LETTER OF APPEAL FROM KENDAL ARTS INTERNATIONAL.
3	EXECUTIVE DECISION NOTICE DRR/5 23RD JULY 2014

BACKGROUND DOCUMENTS AVAILABLE

There are no background papers to this report.

TRACKING INFORMATION

Assistant Director	Portfolio Holder	Solicitor to the Council	SMT	Scrutiny Committee
09/10/14	09/10/14	09/10/14	n/a	n/a
Executive (Cabinet)	Sub-Committee	Council	Section 151 Officer	Monitoring Officer
n/a	26/11/14	n/a	09/10/14	09/10/14
Human Resource Services Manager	Leader	Ward Councillor(s)	Use these boxes for additional tracking	Use these boxes for additional tracking
n/a	n/a	n/a		

GUIDELINES FOR DETERMINING APPLICATIONS FOR DISCRETIONARY RATE RELIEF FROM CHARITABLE ORGANISATIONS

The award of discretionary rate relief to charitable organisations and other non-profit making organisations is to help achieve our priorities and targets set out in the Council Plan.

1. Up to an additional 20% discretionary rate relief is to be awarded to Village Halls, Institutes and Community Centres registered as Charities with the Charity Commissioners. Organisations not so registered will be awarded up to 100% relief but are to be advised that steps should be taken to register as a charity. To qualify for relief the following should apply:-
 - a) the property must be described in the current Local Rating List prepared by the Listing Officer as either:
 - i. Hall and Premises or
 - ii. Institute or Village Hall and Premises, or
 - iii. Community Centre and Premises, and
 - b) the rateable value must be £25,000 or less, and
 - c) the organisation must be administered by a Committee and employ less than 2 full time equivalent paid members of staff. (Full time equivalent equals 37 hours per week.) Honoraria paid to key volunteers shall be disregarded for the purposes of this paragraph.

2. Up to an additional 20% discretionary rate relief is to be awarded to organisations registered as a charity:
 - whose activities may result directly in the saving of human life or lives; or
 - who are managing and operating toilets available to the general public formerly run by the Council

3. In all other cases the applicant must demonstrate that the application is exceptional and such cases are to be considered by a panel of three Cabinet Members who will balance the benefits a particular organisation brings to the residents of the District generally against the cost of awarding relief to the Council Taxpayer and the consequences on the Council's budget. In these specific cases relief will usually be awarded for a fixed period of one year.

4. Subject to paragraph 3, relief will be granted for a maximum period of one year but the Assistant Director (Resources) and Section 151 Officer will report to Cabinet if it is considered that there has been a material change in the circumstances of any organisation since the application was last considered.

5. Applicants are to be advised of the decision within 14 days together with their rights of appeal should they disagree with the decision.

6. The Assistant Director (Resources) and Section 151 Officer be authorised to determine applications for discretionary rate relief for cases that fall within Paragraphs 1 and 2 of these policy guidelines, up to a maximum limit of £10,000 relief in any individual case.

7. Any appeal will be considered by a Panel of three Cabinet Members not involved in making the initial decision and acting as a Discretionary Rate Relief Appeals Panel.

8. Cabinet decisions delegated to a Panel of three Cabinet Members.

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Local Taxation Team
South Lakeland District Council
Lowther Street
Kendal
LA9 4DQ

25 August 2014

Ref : 53034481



Dear Mr McLaughlin

Thank you for your letter dated 5 August 2014. I have been away so have only just been able to sit and write to you in order to appeal about the decision.

I think you will appreciate a brief response so, in short, the response that "our services do not sufficiently benefit residents of the district when compared to the cost that awarding relief places on the Council Taxpayer" is really disappointing. We deliver Mintfest to and for the district generating more than one million pounds of economic impact for an investment from the local authority and local taxpayers of £35,000. Our original "agreement" with the local authority was to provide £50,000 local match (combined SLDC and Cumbria County Council local area committee) to the Arts Council England investment of £250,000 to continue to secure the latter for the benefit of the district. In 2013 and 2014 we were offered significantly less than this ie £39,000 and have had to make cuts in our budget whilst maintaining the scale and quality of Mintfest.

I hope you will re-consider our request and look forward to hearing from you.

Best wishes


Julie Tait
Director

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EXECUTIVE DECISION NOTICE**DISCRETIONARY RATE RELIEF SUB-COMMITTEE**

A record of the decisions made at the meeting of the Discretionary Rate Relief Sub-Committee held on Wednesday, 23 July 2014, at 12.00 pm.

Present

Councillors

Sue Sanderson	Environment and People Portfolio Holder
Graham Vincent	Health and Wellbeing Portfolio Holder
Janet Willis	Deputy Leader of the Council and Innovation and Improvement Portfolio Holder

Officers

John Greenbank	Democratic Services and Scrutiny Assistant
Shelagh McGregor	Assistant Director Resources (Section 151 Officer)
Ross McLaughlin	Revenues Officer (BIDS and Reliefs)
Matthew Neal	Solicitor to the Council
Alan Raven	Revenues and Benefits Manager

1 ELECTION OF CHAIRMAN

RESOLVED – That Councillor Graham Vincent be elected Chairman for the meeting.

2 APOLOGIES AND RECONSTITUTION OF MEMBERSHIP

There were no apologies and there had been no changes in the membership of the Sub-Committee, and therefore reconstitution of membership was not necessary.

3 DECLARATIONS OF INTEREST

RESOLVED – That it be noted that no declarations of interest were made.

4 LOCAL GOVERNMENT ACT 1972 - EXCLUDED ITEMS

RESOLVED – That it be noted that there were no excluded items on the Agenda.

5 DETERMINATION OF APPLICATIONS FOR DISCRETIONARY RATE RELIEF**Summary**

Consideration was given to approving Discretionary Rate Relief Applications from a variety of organisations within the District for 2014/15.

Decision

(1) Discretionary rate Relief be awarded to charitable and other non-for-profit organisations listed in Appendix 2 of the report for the period 1 April 2014 to 31 March 2015, namely:-

Ref	Name	Amount of Relief	Total %
50815491	Levens Playing Fields Committee	£168.70	20
500842x1	Kendal Sea Cadet Corps	£190.39	20
50130971	The Heron Theatre	£241.00	20
50133581	Storth Playing Field Committee	£414.52	20
50415941	Trustees of Allithwaite Playing Fields Association	£597.68	20
52573044	Trustees of Blackwell Sailing	£342.22	20
52575454	Trustees of Blackwell Sailing	£578.40	20
52250271	Ford Park Community Group	£1542.40	20
53033574	South Lakeland Carers	£1662.90	20
52589412	Kings Church	£250.64	10
53028864	Kings Church	£674.80	10
53052757	Trustees of Kendal and District Lions Club	£1898.62	20
52556433	Cumbria Cricket Board	£359.14	50

53027930	Cumbria Cricket Board	£612.30	50
52582795	Manna House	£1976.20	20
52582809	Manna House	£137.37	20
51280121	Cancercare Lakes Centre	£3325.80	20
52579727	Hospice of St. Mary of Furness	£6073.20	20
53012119	Westmorland County Football Asscn. Ltd	£3414.75	50
522941X1	Stricklandgate House Trust Ltd	£6699.80	20
50063041	The Kendal Brewery Arts Centre Trust Ltd	£5109.20	10
51360031	The Kendal Brewery Arts Centre Trust Ltd	£67.48	10
53024869	The Kendal Brewery Arts Centre Trust Ltd	£337.40	10

(2) In the case of:-

Kings Church (ref: 52589412 and 53028864) – A lesser amount of relief was awarded to reflect the services provided to the resident of South Lakeland but noting that other services were provided throughout the world.

Cumbria Cricket Board (ref:52556433 and 53027930) – A lesser amount of relief was awarded to reflect a re-alignment of the Council Plan (2014-19).

Westmorland County Football Association Ltd (ref:53012119) – A lesser amount of relief was awarded to reflect a re-alignment of the Council Plan (2014-19).

Kendal Brewery Arts Centre Trust Ltd (ref:50063041, 51360031 and 53024869) – A lesser amount of relief was awarded to reflect that the organisation is in competition with other businesses in the District but services are provided that assist the Council in achieving it Council Plan priorities and targets.

(3) Discretionary Rate Relief be refused for Boxes of Hope (ref:53047907), Action for Children (ref:53046935), Kendal Arts International Limited (ref:53034481) and Down Syndrome Education International (ref:53045556) as they do not meet the criteria as set out in Appendix 1 of the report.

(4) That consideration of granting Discretionary Rate Relief for Cumbria Deaf Association (ref:52508315) be deferred until further information regarding the association's benefit to the local community can be provided.

(5) 20% Discretionary Rate Relief is awarded to the Trustees of Kendal Lions Club (ref:53052757) but it was noted that the club is under occupying its current premises and determination of future applications may take this consideration.

Reason for Decision

The awards are in line with new policies agreed by Cabinet on 28 January 2014 (CEX/123 (2013/14) refers).

The award of Discretionary Rate Relief assists in achieving Council Plan priorities and targets.

Alternative Options Considered and Rejected

That all applications could be refused, but this was not recommended as the decisions were in line with Council policy and priorities.

The meeting ended at 1.00 pm