

**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**

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

**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 23<sup>rd</sup> 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 23<sup>rd</sup> 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

<b>Risk</b>	<b>Consequence</b>	<b>Controls required</b>
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

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## APPENDICES ATTACHED TO THIS REPORT

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

## BACKGROUND DOCUMENTS AVAILABLE

There are no background papers to this report.

## TRACKING INFORMATION

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