

Appendix 3

Medway Council

Discretionary Business Rate Relief Consultation 2016

Discretionary Business Rates Relief Consultation

This consultation asks you for your views about Medway Council's Discretionary Business Rate Relief policy.

The questionnaire has been designed to give you information about business rates and the proposed options for discretionary business rate relief. There are comment boxes throughout to help us better understand your views.

The consultation runs from 15 September 2016 and closes on 7 December 2016.

The results of this consultation will be analysed and considered by a Special Business Support Overview and Scrutiny committee in early January 2017, before final consideration and approval of the new scheme by Cabinet on 17 January 2017.

Your personal data will be processed in accordance with Medway Council's Data Protection Notice. This is available to view online at

<http://www.medway.gov.uk/thecouncilanddemocracy/dataprotection/privacynotice.aspx>.

Completed surveys will be kept until 8 December 2021 and will then be destroyed.

If you would like to discuss the consultation please contact the Business Rates Team on 01634 333771.

You can find out further information and complete the survey online at:-

<http://www.medway.gov.uk/businessandinvestment/businessrates.aspx>

Introduction to Business Rates and discretionary relief

What are Business Rates?

Business rates (formally known as National non-domestic rates) collected by local authorities are the way that those who occupy business (non-domestic) property contribute towards the cost of local services. Under the business rates retention arrangements introduced from 1 April 2013, a proportion of the business rates paid (49%) is kept locally by the Council. The money, together with revenue from council tax payers, revenue support grant provided by the Government and certain other sums such as fees and charges, is used to pay for the services provided by Medway Council.

What is Discretionary Relief?

The Local Government Finance Act 1988 requires all local authorities to grant mandatory rate relief to registered charities and registered Community Amateur Sports Clubs (CASCs). Mandatory relief provides an 80% reduction in business rates.

Under the Localism Act 2011, local authorities also have the power to grant discretionary relief to cover some or all of the remaining 20% (commonly referred to as 'top up' relief) and up to 100% relief to other organisations.

Medway Council recognises that the voluntary and community sector makes a major contribution to the economy, health and wellbeing of the people in the Medway area. However, Discretionary Rate Relief awarded by Medway Council is paid for by the council tax payers and the Council has a duty to ensure that public funds are spent wisely and with transparency and accountability.

Why change the policy?

The policy was last reviewed in 2012 and in changing times it is right this is reviewed, especially given the pressure placed on budgets which is partly due to increased demand but also due to changes made by government to its rate relief funding arrangements through the introduction of the Business Rates Retention Scheme. From 1 April 2013 central government's contribution to discretionary relief is 50%, with Medway Council contributing 49% and Kent Fire & Rescue Service contributing 1%.

Relief Type	Cost to Central Government	Cost to Medway Council	Cost to Central Government	Cost to Medway Council
	Pre April 2013		Post April 2013	
Mandatory	100% of any award	None	50% of any award	49% of any award
Discretionary Top-up	25% of any award	75% of any award	50% of any award	49% of any award
Discretionary Only	75% of any award	25% of any award	50% of any award	49% of any award

The current policy awards 20% top up to the majority of organisations in receipt of mandatory relief, and 100% discretionary relief to all not for profit organisations. The cost to the Council for 2016/17 as at 14 July 2016 was:

Description	Amount of Relief Awarded £m's	Cost to the Council £m's
Mandatory relief	7.48	3.66
Discretionary top up	0.43	0.21
Discretionary relief only	0.19	0.09
Total	8.09	3.96

The aim of the review is to allow us to reduce expenditure whilst still supporting organisations within the area.

Your views on Discretionary Business Rates Relief

Medway Council is looking for your views before adopting a new set of guidelines for granting discretionary business rate relief.

- There are 218 charity properties, 10 community amateur sports club properties and 37 not for profit organisation properties that would be affected by these proposals.
- All registered charities and community amateur sports clubs receive 80% mandatory relief. The guidelines for granting discretionary business rate relief relates to how much relief charities and community amateur sports clubs receive on top of this 80%.
- Not for profit organisations do not receive mandatory relief therefore the guidelines set how much discretionary relief those organisations will actually receive.

The Council has identified 3 options for its new discretionary business rates relief policy. These options are explained below with the number of properties affected and the cost to the Council of each option. Please read this information before answering question 1.

Option 1 - Reinstate the existing guidelines

All charities, not for profit organisations and community amateur sports clubs would be treated the same and receive the maximum relief of 100%.

This option would mean that all charity, community amateur sports clubs and not for profit organisations would not have to pay anything towards their business rates bill.

The cost to the Council of this option would be approximately £300,000. The council would have to find savings from elsewhere to continue to fund 100% relief.

Option 2 - Implement guidelines with a variable level of discretionary relief based on the purpose of the charity, not for profit organisation or community amateur sports club.

Option 2 is the Council's preferred option.

All charity properties and community amateur sport club properties would continue to receive their mandatory relief.

When awarding top up relief and discretionary relief this option gives priority to organisations seeking to improve the quality of life for children, the elderly, disabled or otherwise vulnerable members of society.

It would reduce support for organisations supporting animal welfare or conservation and those supporting lifestyle choices (arts, entertainment, leisure, fee paying education etc.). It would not offer any support to organisations supporting heritage and regeneration. It would also limit charity shops and cafes to receiving their mandatory relief.

This option would mean that 77 charity properties, 0 community amateur sports club properties and 2 not for profit organisation properties would not have to pay anything towards their business rates bill.

This option would mean that 141 charity properties, 10 community amateur sports club properties and 35 not for profit organisation properties would have to pay something towards their business rates bill.

The cost to the Council of this option would be approximately £107,000.

Option 3 - Implement guidelines whereby all charities, not for profit organisations or community amateur sports clubs receive a flat rate of 80% relief.

Charity and community amateur sports club properties in receipt of mandatory relief (a reduction in their business rates bill of 80%) would not receive any discretionary top up. Any not for profit organisation properties who currently receive 100% discretionary relief would have their award limited to 80% discretionary relief.

This option would mean that all charity, community amateur sports clubs and not for profit organisation properties would have to pay 20% towards their business rates bill.

The cost to the Council of this option would be approximately £73,000.

1. Please rank, from 1 to 4, the following options for Medway Council's new discretionary business rates policy in order of your preference, where 1 is your most preferred option and 4 is your least preferred option (PLEASE WRITE ONE NUMBER IN EACH BOX ONLY)

You cannot give more than one option the same rank. Please use the numbers 1, 2, 3 and 4 to indicate your preference, where 1 is your most preferred option and 4 is your least preferred option.

Option 1 - Reinstate the existing guidelines

Option 2 - Implement guidelines with a variable level of discretionary relief based on the purpose of the charity, not for profit organisation or community amateur sports club.

Option 3 - Implement guidelines whereby all charities, not for profit organisations or community amateur sports clubs receive a flat rate of 80% relief.

Option 4 – Another option not listed (there is space to explain your suggestion below)

2. Please explain why you have ranked the options in this way (PLEASE COMMENT IN THE BOX BELOW)

3. Do you have an alternative suggestion for Medway Council's discretionary business rates policy? (PLEASE COMMENT IN THE BOX BELOW)

Your views on option 1

By reinstating the current discretionary business rates policy all charities, not for profit organisations and community amateur sports clubs would be treated the same and receive the maximum relief of 100%.

The council would have to find savings from elsewhere to continue to fund 100% relief.

4. **If the Council were to adopt option 1, how strongly do you agree or disagree that savings should be made from other services within the Council to continue to fund 100% relief? (PLEASE TICK ONE BOX ONLY)**

Agree strongly	Agree	Neither agree nor disagree	Disagree	Disagree strongly	Don't know
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. **Please explain why you agree or disagree that savings should be made from other services within the Council to continue to fund 100% relief (PLEASE COMMENT IN THE BOX BELOW)**

6. **Do you have any suggestions as to where savings could be made? (PLEASE COMMENT IN THE BOX BELOW)**

7. **Is there anything else we should consider about option 1 before making a final decision? (PLEASE COMMENT IN THE BOX BELOW)**

Your views on option 2

The Council's preferred option (option 2) is to implement guidelines with a variable level of discretionary relief based on the purpose of the charity, not for profit organisation or community amateur sports club. Those guidelines have been designed around a set of five principles that have been applied across the purposes of the different charities, community amateur sports clubs and not for profit organisations.

Within this option all charities and community amateur sport clubs would continue to receive their mandatory relief.

8. **If the Council were to adopt option 2, how strongly do you agree or disagree with the following principle used for assessing the level of discretionary relief received?**
(PLEASE TICK ONE BOX ONLY)

	Agree strongly	Agree	Neither agree nor disagree	Disagree	Disagree strongly	Don't know
The focus of discretionary business rates relief should be for organisations seeking to improve the quality of life for children, the elderly, disabled or otherwise vulnerable members of society	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please explain why you agree or disagree with this principle (PLEASE COMMENT IN THE BOX BELOW)

9. **If the Council were to adopt option 2, how strongly do you agree or disagree with the following principle used for assessing the level of discretionary relief received?**
(PLEASE TICK ONE BOX ONLY)

	Agree strongly	Agree	Neither agree nor disagree	Disagree	Disagree strongly	Don't know
Organisations supporting animal welfare or conservation should receive less priority when awarding discretionary rate relief	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please explain why you agree or disagree with this principle (PLEASE COMMENT IN THE BOX BELOW)

10. If the Council were to adopt option 2, how strongly do you agree or disagree with the following principle used for assessing the level of discretionary relief received? (PLEASE TICK ONE BOX ONLY)

	Agree strongly	Agree	Neither agree nor disagree	Disagree	Disagree strongly	Don't know
Organisations supporting lifestyle choices (arts, entertainment, leisure, fee paying education etc.) should receive less priority when awarding discretionary rate relief	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please explain why you agree or disagree with this principle (PLEASE COMMENT IN THE BOX BELOW)

11. If the Council were to adopt option 2, how strongly do you agree or disagree with the following principle used for assessing the level of discretionary relief received? (PLEASE TICK ONE BOX ONLY)

	Agree strongly	Agree	Neither agree nor disagree	Disagree	Disagree strongly	Don't know
Organisations supporting heritage and regeneration should not receive any discretionary rate relief	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please explain why you agree or disagree with this principle (PLEASE COMMENT IN THE BOX BELOW)

12. If the Council were to adopt option 2, how strongly do you agree or disagree with the following principle used for assessing the level of discretionary relief received? (PLEASE TICK ONE BOX ONLY)

	Agree strongly	Agree	Neither agree nor disagree	Disagree	Disagree strongly	Don't know
Charity shops and cafes run by charities should not receive any top up discretionary relief as they have alternative means of raising funds and are competing with other businesses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please explain why you agree or disagree with this principle (PLEASE COMMENT IN THE BOX BELOW)

13. Do you have any suggestions for alternative principles that the Council should consider? (PLEASE COMMENT IN THE BOX BELOW)

Option 2 – top up relief for charities and community amateur sports clubs

As part of the proposals in option 2 all registered charities and community amateur sports clubs will receive 80% mandatory relief. The proposals in option 2 state how much relief charities and community amateur sports clubs would receive on top of this 80%.

This option would mean that 77 charity properties and 0 community amateur sports club properties would not have to pay anything towards their business rates bill.

This option would mean that 141 charity properties and 10 community amateur sports club properties would have to pay something towards their business rates bill.

14. If the Council were to adopt option 2 do you agree with the level of top up discretionary business rate relief for the following groups of charities and community amateur sports clubs? (PLEASE TICK ONE BOX PER ROW)

	Yes	No	Don't know	
20% top up relief for charities or community amateur sports clubs seeking to improve the quality of life for children, the elderly, disabled or otherwise vulnerable members of society	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The mandatory relief of 80% along with the top up discretionary relief of 20% would mean a total relief rate of 100%. These organisations would pay no business rates.
No top up relief for charities or community amateur sports clubs supporting animal welfare or conservation but not dealing directly with people	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	These organisations would receive the mandatory relief of 80% only. These organisations would pay 20% of their business rate bill.
No top up relief for charities or community amateur sports clubs supporting lifestyle choices (arts, entertainment, leisure, fee paying education etc.) for all members of the community	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	These organisations would receive the mandatory relief of 80% only. These organisations would pay 20% of their business rate bill.
No top up relief for charities or community amateur sports clubs supporting heritage and regeneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	These organisations would receive the mandatory relief of 80% only. These organisations would pay 20% of their business rate bill.

15. Please explain why you agree or disagree with the level of top up discretionary business rate relief for charities and community amateur sports clubs (PLEASE COMMENT IN THE BOX BELOW)

16. Do you have any other suggestions for alternative levels of top up discretionary business rate relief for charities and community amateur sports clubs that the Council should consider? (PLEASE COMMENT IN THE BOX BELOW)

Option 2 – top up discretionary relief for charity shops and charity cafes

The proposed option 2 would limit charity shops and charity cafes to receiving mandatory relief only as they have alternative means of raising funds and are competing with other businesses. They would receive no top up discretionary relief.

17. Do you agree that charity shops and charity cafes should only receive 80% mandatory relief? (PLEASE TICK ONE BOX ONLY)

Yes	No	Don't know
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

18. Please explain why you agree or disagree that charity shops and charity cafes should only receive 80% mandatory relief (PLEASE COMMENT IN THE BOX BELOW)

19. Do you have any other suggestions for alternative levels of top up discretionary business rate relief for charity shops and charity cafes that the Council should consider? (PLEASE COMMENT IN THE BOX BELOW)

Option 2 - discretionary relief for not for profit organisations

Not for profit organisations do not receive any mandatory relief. The proposals in option 2 state how much discretionary relief those organisations will actually receive.

This option would mean that 2 not for profit organisation properties would not have to pay anything towards their business rates bill.

This option would mean that 35 not for profit organisation properties would have to pay something towards their business rates bill.

20. If the Council were to adopt option 2 do you agree with the level of discretionary business rate relief for the following groups of not for profit organisations? (PLEASE TICK ONE BOX PER ROW)

	Yes	No	Don't know	
100% discretionary relief for not for profit organisations seeking to improve the quality of life for children, the elderly, disabled or otherwise vulnerable members of society	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	These organisations would pay no business rates.
70% discretionary relief for supporting animal welfare or conservation but not dealing directly with people	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	These organisations would pay 30% of their business rate bill.
50% discretionary relief for not for profit organisations supporting lifestyle choices (arts, entertainment, leisure, fee paying education etc.) for all members of the community	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	These organisations would pay 50% (half) of their business rate bill.
No discretionary relief for not for profit organisations supporting heritage and regeneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	These organisations would pay 100% (all) of their business rate bill.

21. Please explain why you agree or disagree with the level of discretionary business rate relief for not for profit organisations (PLEASE COMMENT IN THE BOX BELOW)

22. Do you have any other suggestions for alternative levels of discretionary business rate relief for not for profit organisations that the Council should consider? (PLEASE COMMENT IN THE BOX BELOW)

23. Is there anything else we should consider about option 2 before making a final decision? (PLEASE COMMENT IN THE BOX BELOW)

Your views on option 3

Charity and community amateur sports club properties in receipt of mandatory relief (a reduction in their business rates bill of 80%) would not receive any discretionary top up. Any not for profit organisation properties who currently receive 100% discretionary relief would have their award limited to 80% discretionary relief.

This option would mean that all charity, community amateur sports clubs and not for profit organisation properties would have to pay 20% towards their business rates bill.

24. If the Council were to adopt option 3, do you agree that all charities, not for profit organisations and community amateur sports clubs should receive a flat rate of 80% relief? (PLEASE TICK ONE BOX ONLY)

Yes

No

Don't know

25. Please explain why you agree or disagree that all charities, not for profit organisations and community amateur sports clubs should receive a flat rate of 80% relief (PLEASE COMMENT IN THE BOX BELOW)

26. Do you have another suggestion as to the flat rate of relief that should be granted? (PLEASE COMMENT IN THE BOX BELOW)

27. Is there anything else we should consider about option 3 before making a final decision? (PLEASE COMMENT IN THE BOX BELOW)

About you / Your organisation

28. Are you responding as (PLEASE TICK ONE BOX ONLY)

An Individual

Go to Q29

An organisation

Go to Q37

An individual

Please only answer questions 29 to 36 if you are responding as an individual.

29. Are you a resident of Medway? (PLEASE TICK ONE BOX ONLY)

Yes

No

Don't know

30. Are you currently supported by, a member of, a volunteer with or otherwise directly associated with one of the organisations affected by this consultation? (PLEASE TICK ONE BOX ONLY)

Yes <input type="checkbox"/>	No <input type="checkbox"/>	Don't know <input type="checkbox"/>
GO TO Q31	GO TO Q32	GO TO Q32

31. What type of organisation are you supported by, a member of, a volunteer with or otherwise directly associated with? (PLEASE TICK ALL THAT APPLY)

Charity	<input type="checkbox"/>	I don't know	<input type="checkbox"/>
Community Amateur Sports Club	<input type="checkbox"/>	Other, please specify below	<input type="checkbox"/>
Not for Profit Organisation	<input type="checkbox"/>		

We collect the following information to help us better understand the communities that we serve so that services and policies can be delivered to meet the needs of everybody. Please feel free to leave questions that you do not wish to answer. All of the information gathered in this questionnaire is confidential.

Sex

32. Are you? (PLEASE TICK ONE BOX ONLY)

Female <input type="checkbox"/>	Male <input type="checkbox"/>	I prefer not to say <input type="checkbox"/>
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Age

33. How old are you? (PLEASE TICK ONE BOX ONLY)

Under 16	<input type="checkbox"/>	55 to 59	<input type="checkbox"/>
16 to 18	<input type="checkbox"/>	60 to 64	<input type="checkbox"/>
19 to 24	<input type="checkbox"/>	65 to 74	<input type="checkbox"/>
25 to 34	<input type="checkbox"/>	75 and over	<input type="checkbox"/>
35 to 44	<input type="checkbox"/>	I prefer not to say	<input type="checkbox"/>
45 to 54	<input type="checkbox"/>		

Disability

34. Do you have a long-standing health problem or disability? Long-standing means anything that has lasted, or is expected to last, at least 12 months. (PLEASE TICK ONE BOX ONLY)

Yes

No

I prefer not to say

35. If yes, what is the nature of your health problem or disability? (PLEASE TICK ALL THAT APPLY)

Health diagnosis	<input type="checkbox"/>	Sight impairment	<input type="checkbox"/>
Hearing impairment	<input type="checkbox"/>	I prefer not to say	<input type="checkbox"/>
Learning disability	<input type="checkbox"/>	Other, please specify below	<input type="checkbox"/>
Mental health	<input type="checkbox"/>		
Physical impairment	<input type="checkbox"/>		

Ethnicity

36. What is your ethnic group? (PLEASE TICK ONE BOX ONLY)

White - English / Welsh / Scottish / Northern Irish/ British	<input type="checkbox"/>	Any other Black/African/Caribbean background, please specify below	<input type="checkbox"/>
White - Irish	<input type="checkbox"/>	Asian/Asian British - Indian	<input type="checkbox"/>
White - Gypsy or Irish Traveller	<input type="checkbox"/>	Asian/Asian British - Pakistani	<input type="checkbox"/>
Any other White background, please specify below	<input type="checkbox"/>	Asian/Asian British - Bangladeshi	<input type="checkbox"/>
Mixed - White and Black Caribbean	<input type="checkbox"/>	Asian/Asian British - Chinese	<input type="checkbox"/>
Mixed - White and Black African	<input type="checkbox"/>	Any other Asian background, please specify below	<input type="checkbox"/>
Mixed - White and Asian	<input type="checkbox"/>	Other – Arab	<input type="checkbox"/>
Any other Mixed/multiple ethnic background, please specify below	<input type="checkbox"/>	Any other ethnic group, please specify below	<input type="checkbox"/>
Black/Black British - African	<input type="checkbox"/>		
Black/Black British - Caribbean	<input type="checkbox"/>		
		I prefer not to say	<input type="checkbox"/>

An organisation

Please answer question 37 and then the relevant questions about your organisation.

37. Are you? (PLEASE TICK ONE BOX ONLY)

A recipient of discretionary rate relief within Medway **Go to Q38**

A business within Medway **Go to Q41**

A charity, sports club or not for profit organisation not within Medway **Go to end**

A business not within Medway **Go to end**

Other, please specify below **Go to end**

A recipient of discretionary rate relief within Medway

Please only answer questions 38 to 40 if you are a recipient of discretionary rate relief within Medway.

38. What is the name of the charity, community amateur sports club or not for profit organisation you are responding on behalf of? (PLEASE WRITE THE NAME BELOW)

39. What type of organisation are you? (PLEASE TICK ONE BOX ONLY)

Charity

I don't know

Community Amateur Sports Club

Other, please specify below

Not for Profit Organisation

40. What is the main purpose of your organisation? (PLEASE TICK ONE BOX ONLY)

Supporting vulnerable people

Supporting regeneration or heritage

Supporting animal welfare or conservation

I don't know

Supporting lifestyle choices (arts, entertainment, leisure, fee paying education etc.)

Other, please specify below

A business within Medway

Please only answer question 41 if you are a business within Medway.

41. What type of business are you? (PLEASE TICK ONE BOX ONLY)

Retail – Cafe / Restaurant	<input type="checkbox"/>	Industrial / Manufacturing	<input type="checkbox"/>
Retail - Shop	<input type="checkbox"/>	Leisure	<input type="checkbox"/>
Retail - Other	<input type="checkbox"/>	Other, please specify below	<input type="checkbox"/>
<input type="text"/>			

Thank you for taking the time to give your views about Discretionary Business Rate Relief.

The results of this consultation will be analysed and considered by a Special Business Support Overview and Scrutiny committee in early January 2017, before final consideration and approval of the new scheme by Cabinet on 17 January 2017.

Your personal data will be processed in accordance with Medway Council's Data Protection Notice. This is available to view online at <http://www.medway.gov.uk/thecouncilanddemocracy/dataprotection/privacynotice.aspx>.

Completed surveys will be kept until 8 December 2021 and will then be destroyed.

Please send your completed survey back to:-

Discretionary Business Rate Relief Survey,
Revenue and Benefits,
Gun Wharf,
Dock Road,
Chatham,
ME4 4TR

You can also return your survey to your nearest library.

All surveys must be returned by 7 December 2016.