

DISCRETIONARY RATE RELIEF POLICY

GUIDELINES FOR THE AWARD OF DISCRETIONARY RATE RELIEF (FROM 1 APRIL 2017)

1. Discretionary Rate Relief for Charities

Charitable organisations entitled to 80% mandatory relief may also receive a further 20% “top-up” award at the Council’s discretion.

2. Discretionary Rate Relief for Non-Profit Making Organisations

Non-profit making organisations whose main objectives are charitable, otherwise philanthropic, religious, concerned with education, social welfare, science, literature, the fine arts, or whose premises are used wholly or mainly for recreation may receive up to 100% rate relief at the Council’s discretion.

3. Calculating the amount of relief to be awarded

3.1. General Guidelines

Although each individual application must be considered on its own merit, all will be considered against the following general principles:

- (i) Irrespective of the type of organisation liable for the payment of non-domestic rates, all charity shops (including galleries) and charity cafes will receive 80% mandatory relief only.
- (ii) Where bars are in operations, bar profits should be taken into account. A minimum bar profit of 30% on turnover should be used to ensure that any discretionary relief granted does not subsidise the bar.
- (iii) For sports clubs, sailing and yacht clubs, relief should only be considered if more than 50% of the “sports” membership lives in the Council’s area. Social members should not be included.
- (iv) Membership fees and other charges should be reasonable.
- (v) There should be reasonable evidence of financial need and that reasonable efforts have been made to raise funds.
- (vi) There must be a positive benefit for the community of Medway.
- (vii) Membership of social activity organisations should generally be open to all relevant sections of the community.

3.2. Organisation Purpose

Subject to 3.1 above, all applications will have a guideline amount established from the following table outlining the organisation’s purpose:

| Item No | Organisation purpose | Principle | Registered Charity | | | Non-profit | Description |
|---------|--|------------------------------|---------------------|-----------------|----------------|------------------------------|--|
| | | | Mand-atory relief % | Top up relief % | Total relief % | Discret-ionary only relief % | |
| 1 | Voluntary Sector / charity support service | Supporting vulnerable people | 80 | 20 | 100 | 100 | Organisations who provide support and opportunities to the voluntary sector / and or guidance to charities |

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|---------|--|------------------------------|--------------------|-----------------|----------------|-----------------------------|---|
| | | | Mandatory relief % | Top up relief % | Total relief % | Discretionary only relief % | |
| | | | | | | | & not for profit organisations |
| 2 | Supporting children | Supporting vulnerable people | 80 | 20 | 100 | 100 | The organisation's focus is aimed exclusively at children from all sections of the community |
| 3 | Supporting the disabled | Supporting vulnerable people | 80 | 20 | 100 | 100 | Predominantly providing support to help people with a disability and or providing fitness improvement/sport /water sport facilities exclusively to people who are disabled |
| 4 | Education for children (special educational needs) | Supporting vulnerable people | 80 | 20 | 100 | 100 | Education solely for children with special needs or disabled or unable to attend mainstream school/providing nursery care exclusively for children with special educational needs |
| 5 | Elderly care / support | Supporting vulnerable people | 80 | 20 | 100 | 100 | Providing care and support services exclusively for elderly people from all sections of the community |
| 6 | Training, adult education, employment support | Supporting vulnerable people | 80 | 20 | 100 | 100 | To train, educate or otherwise support adults to help them gain employment and become self sufficient |
| 7 | Health care | Supporting vulnerable people | 80 | 20 | 100 | 100 | Health care for all sections of the community |

| Item No | Organisation purpose | Principle | Registered Charity | | | Non-profit | Description |
|---------|---|------------------------------|--------------------|-----------------|----------------|-----------------------------|---|
| | | | Mandatory relief % | Top up relief % | Total relief % | Discretionary only relief % | |
| 8 | Homeless and vulnerable adult support | Supporting vulnerable people | 80 | 20 | 100 | 100 | Helping homeless people based in Medway to find a home and/or manage in the meantime through foodbank provision and safeguarding of vulnerable adults |
| 9 | Rehabilitation for offenders/ crime prevention | Supporting vulnerable people | 80 | 20 | 100 | 100 | Charity/organisation helping to rehabilitate ex-offenders and reduce re-offending |
| 10 | Social Care support for those with a disability | Supporting vulnerable people | 80 | 20 | 100 | 100 | Providing a range of social care support exclusively to children or adults with a disability in need or at risk arising from illness, old age or poverty |
| 11 | Youth activities | Supporting vulnerable people | 80 | 20 | 100 | 100 | Youth activities (up to and including age 17) available to all sections of the community/ youth activities (young people up to and including age 25) for those who are disabled |
| 12 | Social care support to the general population | Supporting vulnerable people | 80 | 20 | 100 | 100 | Providing social care support or help to the general population to children or adults in need or at risk arising from illness, old age or poverty |
| 13 | Financial advice or financial aid | Supporting vulnerable people | 80 | 20 | 100 | 100 | |
| 14 | Animal welfare, wildlife | Animal welfare | 80 | 0 | 80 | 70 | Protecting, saving, rescuing, or healing animals which would otherwise suffer |

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|---------|---|-----------|--------------------|-----------------|----------------|-----------------------------|--|
| | | | Mandatory relief % | Top up relief % | Total relief % | Discretionary only relief % | |
| 15 | Arts and entertainment | Lifestyle | 80 | 0 | 80 | 50 | Providing and/or providing support for the arts |
| 16 | Fitness improvement/ sport/water sport/social facilities | Lifestyle | 80 | 0 | 80 | 50 | Organisations who make sports and fitness available to all sections of the community and provide social facilities to members and non-members. For those that do not provide any form of social facility hardship relief considered on merit |
| 17 | Nursery mainstream | Lifestyle | 80 | 0 | 80 | 50 | Nursery serving all sections of the community |
| 18 | Religious | Lifestyle | 80 | 0 | 80 | 50 | Religious purposes |
| 19 | Education for children | Lifestyle | 80 | 0 | 80 | 50 | Mainstream education for children in fee paying school |
| 20 | Heritage - protecting | Heritage | 80 | 0 | 80 | 0 | Protecting heritage |
| 21 | Regeneration | Heritage | 80 | 0 | 80 | 0 | Organisations supporting regeneration activities |

4. Design Principles

The table below outlines the five principles used in designing the guidelines and the level of discretionary relief that would be applicable for each principle.

| | Charities or Community Amateur Sports clubs | | | Not for profit organisations |
|--|---|---------------------------------|------------------|------------------------------|
| Principle | Mandatory relief (%) | Top up discretionary relief (%) | Total relief (%) | Discretionary relief (%) |
| The focus of the 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 | 80 | 20 | 100 | 100 |
| Organisations supporting animal welfare or conservation should receive less priority when awarding discretionary rate relief | 80 | 0 | 80 | 70 |
| Organisations supporting lifestyle choices (arts, entertainment, leisure, fee paying education etc.) should receive less priority when awarding discretionary rate relief | 80 | 0 | 80 | 50 |
| Organisations supporting heritage and regeneration should not receive any discretionary rate relief | 80 | 0 | 80 | 0 |
| 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 | 80 | 0 | 80 | N/A |