

Maidstone Borough Council

Discretionary Business Rates Relief Scheme

2017-2018

Purpose of scheme

The purpose of this scheme is to determine the level of Discretionary Business Rate Relief to be awarded to certain defined ratepayers within Maidstone Borough Council's area.

Central Government is keen that in certain cases, assistance should be provided to businesses who have had increases in their rate liability due to the revaluation of premises in April 2017.

This document covers the new Discretionary Business Rates Relief scheme which is available from 1 April 2017.

Introduction

In March 2017, central government announced that it would make available a discretionary fund over 4 years to help councils support those businesses in their area that experienced the steepest increases following the 2017 revaluation.

Government determined that councils would be best placed to determine how this fund should be targeted and administered to support those businesses within their area that are in the greatest need.

The council is expected to use its share of the fund to devise and implement a Discretionary Relief Scheme to target support to those businesses.

The council can operate such a scheme through its discretionary relief powers under S47 of the Local Government Act 1988.

This document explains the scheme Maidstone Borough Council has adopted.

Criteria for awarding relief

Maidstone Borough Council has decided that in making such awards the council works to a set of principles including;

- Revaluation – relief is available to businesses that experienced an increase in rateable value from the 1 April 2017 as a result of revaluation, when compared to the rateable value at 31 March 2017.
- Rateable value – relief is available to businesses with a rateable value above £12,000, with properties below that level likely to receive small business rate relief.
- Rates liability – relief is available to businesses that have experienced an increase in the level of rates payable, after allowing for all other forms of rate relief.
- Occupation – relief is available to businesses that were in occupation of the premises as at 31 March 2017 and remain in continuous occupation.
- Relief is available to businesses that are not entitled to 80% mandatory relief due to their charitable status.
- Relief is available to support local businesses rather than national businesses

It is proposed that 80% of the funding is distributed to businesses meeting the above criteria, with the fund apportioned in line with increases experienced by individual businesses.

The remainder 20% of the funding will be held as a contingency for any appeals and to assist businesses identified as experienced financial hardship as a result of revaluation

Relief will be automatically awarded to eligible businesses at the outset without applications having to be made

Authority to award relief

The councils scheme of delegation allows for the Head of Revenues and Benefits to award, revise or revoke any discretionary relief under this scheme.

Reviews

The scheme for granting relief will be reviewed annually as the amount of funding available will change each year.

Appeals

Any ratepayer aggrieved by the non-awarding of Discretionary Rate Relief under this scheme, or the amount of Discretionary Rate Relief awarded can ask for its case to be reviewed by the Head of Revenues and Benefits.

The Head of Revenues and Benefits shall within 21 days advise the ratepayer of the outcome of the appeal.

Consultation

The council has consulted with the major preceptors in relation to this scheme.

State Aid

Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations 2013. The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three-year period.

It will be for the ratepayer to provide confirmation as to whether the State Aid provisions apply to them.