

Appendix 1: Discretionary Rate Relief Scheme MBC

Maidstone Borough Council

Business Rates Discretionary Rate Relief Scheme

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Purpose of scheme

The purpose of this scheme is to determine the level of Business Rates Discretionary Rate Relief to be awarded to certain defined ratepayers within Maidstone Borough Council's area for 2018/2019, 2019/2020 and 2020/2021.

Central Government was keen that in certain cases, assistance should be provided to businesses that had increases in their Business Rate liability due to the revaluation of premises in April 2017.

This document covers the awarding of the Discretionary Business Rates Relief scheme from 1 April 2018 and subsequent 2 years.

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 decide how this fund should be targeted and administered to support those businesses within their area that were in the greatest need.

The Council was 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 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.

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- 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

For 2017-18, it was proposed that 80% relief of the increase in Business Rates liability would be awarded to businesses meeting the above criteria.

For 2018-19 and subsequent years, it is proposed the funding is distributed equally on a percentage basis to businesses that were awarded funding in the previous year.

Relief will be automatically awarded to eligible businesses, without applications having to be made.

Authority to award relief

The Council's scheme of delegation allows for the Head of Revenues and Benefits to award, revise or revoke any Discretionary Rate Relief under this scheme.

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 consulted with the major preceptors in 2017-18 in relation to the proposed funding of the 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.