

MAIDSTONE BOROUGH COUNCIL
RECORD OF DECISION OF THE CABINET

Decision Made: 24 February 2014

BUSINESS RATES - RETAIL RELIEF

Issue for Decision

To consider the award of additional rate relief following announcement in the autumn statement.

Decision Made

- a) That delegated authority be given to the Director of Environment and Shared Services, in consultation with the Cabinet Member for Corporate Services, to agree and implement a scheme for the award of retail relief in line with the guidance provided by the Department for Communities and Local Government (as set out at Appendix A to the report of the Director of Environment and Shared Services); and
- b) That the scheme is to operate in 2014-15 and 2015-16 only, with no provision for awards to be backdated after 31st March 2016.

Reasons for Decision

As part of the Autumn Statement released on 5 December 2013 the Government announced that it would provide business rate relief of up to £1,000 to all occupied retail properties with a rateable value of £50,000 or less during 2014-15 and 2015-16.

The aim at a national level in making such relief available is to support town centres and retailers as they adapt to changing consumer preferences in how people shop.

At a local level it will enable the Council to gain national funding to reduce the rates liability of local retailers, supporting the High Street, business sector and local economy more generally.

The relief is to be awarded at the discretion of the Council and can be made available to those businesses wholly or mainly being used as shops, restaurants, cafes and drinking establishments. A full list of the types of businesses that will and will not be included were set out in Appendix A to the report of the Director for Environment and Shared Services.

It was estimated that up to 820 businesses would be eligible for the relief, the cost of which would be borne by Central Government.

The businesses would receive a reduction up to £1,000, reduced if the amount of rates payable is less than £1,000 due to the award of other forms of relief e.g. small business rates relief, or the relief is awarded for less than a full year.

A paragraph will be included in all business rate bills stating that the rate payer should inform the Borough Council if it receives state aid in excess of the permitted limit and the relief will then be removed. The current state aid limit is €200,000 (cash grant equivalent) over a 3 year fiscal period. It is likely that national chains with smaller hereditaments could reach this limit, however until billing authorities start to award this relief they may not fall under the state aid rules.

Alternatives considered and why rejected

The council could decide not to implement a scheme or introduce a restricted scheme to only apply in certain parts of the borough, fewer categories of properties or provide a lower level of reduction. This was not thought appropriate as in doing so it would limit the level of central government funding that is being brought into the borough to support retailers.

Equally the council could expand the scheme but the additional cost would need to be met by the Borough Council.

Background Papers

None

Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Policy and Communications by: 5 March 2014.
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