

Discretionary Rate Relief – Kent Medical Campus Enterprise Zone

Final Decision-Maker	Policy and Resources Committee
Lead Head of Service/Lead Director	Stephen McGinnes, Mid Kent Services Director
Lead Officer and Report Author	Sheila Coburn, Head of Revenues and Benefits
Classification	Public
Wards affected	All

Executive Summary

To approve a Policy for the award of Discretionary Rate Relief for properties in the Kent Medical Campus Enterprise Zone.

This report makes the following recommendations to this Committee:

That the Policy attached as Appendix 1 to this report is approved.

Timetable

Meeting	Date
Policy & Resources Committee	15 May 2018

Discretionary Rate Relief – Kent Medical Campus Enterprise Zone

1. INTRODUCTION AND BACKGROUND

- 1.1 There are a number of Enterprise Zones across the country. Their aim is to stimulate business growth in designated areas by providing financial incentives and simplified planning arrangements to businesses and to councils, provide jobs and drive local and national growth.
- 1.2 Kent Medical Campus (KMC) has been designated as an Enterprise Zone and forms part of North Kent Enterprise Zone. KMC provides a focus on healthcare, life sciences, med-tech, specialist residential and rehabilitation care, together with training facilities for the medical and health care professions.
- 1.3 A Memorandum of Understanding issued by the Ministry of Housing, Communities and Local Government (formerly Department for Communities and Local Government) has been agreed with this authority.
- 1.4 As part of the financial incentives associated with an Enterprise Zone, Local authorities have the option to award up to 100% Discretionary Business Rates Relief up to the value of £275,000 over five years to any business which sets up operation within the enterprise zone area before 31 March 2022 and is eligible to receive the support within the State Aid De Minimis threshold.
- 1.5 The Government will reimburse Maidstone Borough Council the cost incurred in providing up to 100% Business Rates relief for up to 5 years.
- 1.6 To be able to award Discretionary Rate Relief, it is necessary for the council to adopt a policy.
- 1.7 Maidstone Borough Council can retain 100% of any Business Rate increase which accrues from the Enterprise Zone for a period of 25 years from the start date of the Enterprise Zone (1 April 2017) and will be unaffected by business rate reform, reset or redistribution for this period. The amount the authority retains is required to be redirected to support the development of the Enterprise Zone in the first instance, and initiatives to support enterprise and growth within the wider Maidstone borough area thereafter.

2 AVAILABLE OPTIONS

- 2.1 Option 1 – ‘Do nothing’ option
The ‘do nothing’ option does not fall within the conditions of the Memorandum of Understanding with the Ministry of Housing, Communities and Local Government which expects the authority to provide up to a 100% Business Rates relief.

- 2.2 Option 2 – Award 100% Discretionary Business Rates Relief to businesses that set up operations within the Enterprise Zone site before 31 March 2022 and comply with the policy criteria outlined in Appendix 1.

3 PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 3.1 Option 2 is the preferred option. The awarding of 100% Discretionary Rate Relief for those businesses in the Enterprise Zone will be of no cost to Maidstone Borough Council as the Government will fully fund the cost of the relief and should be viewed as an opportunity to help stimulate investment and development on Kent Medical Campus.
- 3.2 Awarding the relief complies with the conditions set down in the Memorandum of Understanding between the Secretary of State and the authority.
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4 RISK

- 4.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council’s Risk Management Framework. We are satisfied that the risks associated are within the Council’s risk appetite and will be managed as per the Policy.
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5 NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 5.1 Availability of the policy will be communicated on the council’s website, and promoted via the Business in Maidstone website and the dedicated Kent Medical Campus site operated by the agents for the site.
- 5.2 As businesses set up within Kent Medical Campus, they will be informed of the availability of relief.
- 5.3 Applications will be considered upon completion of an application form.
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6 CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	We do not expect the recommendations will by themselves materially affect achievement of corporate priorities.	Sheila Coburn, Head of Revenues and Benefits
Risk Management	Already covered in the risk	Sheila

	section	Coburn, Head of Revenues and Benefits
Financial	The proposals set out in the recommendation are all within already approved budgetary headings and so need no new funding for implementation.	[Section 151 Officer & Finance Team]
Staffing	We will deliver the recommendations with our current staffing.	Sheila Coburn, Head of Revenues and Benefits
Legal	Acting on the recommendations is within the Council's powers as set out in Section 47 of the Local Government Finance Act 1988	Keith Trowell, Interim Team Leader (Corporate Governance)
Privacy and Data Protection	Accepting the recommendations will increase the volume of data held by the Council. The data will be held and processed in accordance with the data protection principles contained in Schedule 1 to the Data Protection Act 1998.	Keith Trowell, Interim Team Leader (Corporate Governance)
Equalities	The implementation of this policy presents new opportunity in the borough for businesses. It is important that the equalities impact is considered in order to ensure that this offer is widely communicated, in particular to reach seldom heard groups.	Equalities and Corporate Policy Officer
Crime and Disorder	No impact	Sheila Coburn, Head of Revenues and Benefits
Procurement	No impact	Sheila Coburn, Head of Revenues and Benefits

7 REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix 1: Discretionary Rate Relief Policy – Enterprise Zones
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8 BACKGROUND PAPERS

None