

MAIDSTONE BOROUGH COUNCIL

**POLICY FOR DISCRETIONARY RATE RELIEF
KENT MEDICAL CAMPUS ENTERPRISE ZONE**

Appendix 1: Discretionary Rate Relief Policy – Enterprise Zones

Kent Medical Campus Enterprise Zone Business Rates Relief policy

This policy identifies the circumstances in which Maidstone Borough Council will grant Business Rates Discretionary relief to occupiers of non-domestic properties located within the Kent Medical Campus Enterprise Zone.

What is an Enterprise Zone?

Enterprise Zones were announced by the government in the 2011 budget. 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. The aim is that they will provide jobs and drive local and national growth

Where is the Enterprise Zone in Maidstone?

Kent Medical Campus (KMC) forms part of the North Kent Enterprise Zone – a multisite offer comprising KMC, Ebbsfleet Garden City & Innovation Park Medway – and, with a sector focus on healthcare, life sciences and med-tech, provides the opportunity for the development of up to 98,000m² of flexible accommodation including headquarters buildings, specialist residential and rehabilitation care, as well as Higher Education training facilities for the medical and health care professions. The boundary for the Kent Medical Campus Enterprise Zone site, as approved by the Department for Communities and Local Government (now Ministry of Housing, Communities and Local Government), is outlined in Appendix A.

What reduction is awarded on Business Rates?

Businesses that occupy property in the Kent Medical Campus Enterprise Zone before 31 March 2022 may be eligible for a discretionary relief of up to 100% of the Business Rates payable.

This is up to a limit of £55,000 per year and a maximum of £275,000 in any five year period.

To qualify for relief:

- a) The whole or part of the property must be situated within the defined boundary of Kent Medical Campus Enterprise Zone;
- b) The business must demonstrate that the primary focus of the part of the business that is being located within the Enterprise Zone fits within the target sectors of healthcare, med-tech and life science;

Appendix 1: Discretionary Rate Relief Policy – Enterprise Zones

- c) The business must be occupying the property in accordance within Section 43 of the Local Government Finance Act 1988;
- d) The business must be liable to pay Business Rates;
- e) The award of relief will be made on an annual basis and the business will be required to reapply each year;
- f) State Aid de Minimis limits must not be exceeded (see below)
- g) Business Rate Relief for business located within a designated Enterprise Zone is permitted pursuant to section 47 of the Local Government Finance Act 1988, as amended by the Non-Domestic Rating (Designated Areas) Regulations 2013.

The decision whether to award relief is discretionary.

How is it paid?

The relief reduces the amount of Business Rates that the business would have to pay to the Council.

The Business Rate Relief is subject to annual monitoring to make sure that the qualifying business is still eligible for the relief, namely to ensure that the business is still in occupation of the premises.

On-going relief will not be unreasonably withheld, but businesses will only be granted relief for one financial year at a time and relief will automatically terminate at the end of the financial year for which it is granted. In cases where State Aid de Minimis levels would be exceeded, relief will be terminated with immediate effect.

Each case will be considered on its merits.

How do I apply?

Ratepayers will first need to register for Business Rates by contacting Maidstone Borough Council Business Rates Team (if not already registered) at:
businessrates@midkent.gov.uk

If you consider your business might be eligible for relief through this scheme, you will then need to complete an application form and demonstrate your involvement in the Enterprise Zone and provide appropriate evidence of occupation.

Forms can be which can be requested from the Business Rates team via:
businessrates@midkent.gov.uk

Appendix 1: Discretionary Rate Relief Policy – Enterprise Zones

If you require any further information about this relief scheme, please email the Economic Development team at economicdevelopment@maidstone.gov.uk or the Business Rates team at businessrates@midkent.gov.uk

What happens if a business that is already in the zone expands?

Applications for an Enterprise Zone Business Rates relief will be considered based on a material change, the size of the expansion, the impact on jobs in the area and the contribution to the overall success of the zone.

Businesses already located in the Enterprise Zone and already receiving an Enterprise Zone Business Rates relief may be eligible for a relief of 100% of Business Rates payable (within the State Aid regulations), providing:

- the applicant is relocating to larger premises or is materially increasing the total amount of floor space it occupies within the Enterprise Zone; or
- the applicant can demonstrate that it is considerably increasing the permanent workforce.

What if the affected business is entitled to other types of Business Rates relief, for example Small Business Rates Relief?

Existing reliefs will be applied to the Business Rates bill first and the Enterprise Zone relief will then be applied on the amount outstanding.

For example if a business is entitled to 50% Small Business Rate Relief, the relief would be applied to cover the remaining 50% of the Business Rates bill.

What if the property is empty for a period when the business moves into the Enterprise Zone?

Existing reliefs will be applied to the bill first and the Enterprise Zone relief will then be applied on the amount outstanding upon occupation. Enterprise Zone relief will not be awarded in respect of any rates liability whilst the property has been empty.

What happens if a company has more than one property in the Enterprise Zone?

Relief will be awarded for each property subject to State Aid De Minimis rules.

Appendix 1: Discretionary Rate Relief Policy – Enterprise Zones

Who will consider my application?

Applications will be considered by the Head of Revenues and Benefits or through delegation to a senior member of the team.

The Local Authority retains the right to exercise discretion on a case by case basis.

Applications will be determined within 2 weeks of receipt if all information is received.

The outcome of the application will be notified to the applicant by email.

What happens after I claim Enterprise Zone relief?

If you have been given relief on your Business Rates bill you will need to contact the council each year to request a new application.

You will need to advise the council if your circumstances change such as receiving State Aid from elsewhere. Evidence of State Aid awarded will be required.

On-going relief will not be unreasonably withheld, but businesses will only be granted relief for one financial year at a time and relief will automatically terminate at the end of the financial year for which it is granted.

In cases where State Aid de Minimis levels would be exceeded, relief will be terminated with immediate effect.

Part Occupied Relief

Where the ratepayer has made an application for Part Occupied Relief once Enterprise Zone relief has been awarded, the council has the discretion to ask the Valuation Office Agency to apportion the Rateable Value of the occupied and unoccupied parts.

The local authority will treat the occupied part as if it were a new hereditament. This will cause the existing Enterprise Zone relief to cease. Should the ratepayer wish to claim Enterprise Zone relief after apportionment they will be required to submit a new application.

Split, Merger or Reconstitution

For the purpose of this policy, where the hereditament has been split, merged or reconstituted by the Valuation Office Agency, the local authority will treat the revised hereditament as if it were a new hereditament. This will cause the existing Enterprise Zone relief to cease. Should the ratepayer wish to claim

Appendix 1: Discretionary Rate Relief Policy – Enterprise Zones

Enterprise Zone relief after the split, merger or reconstitution they will be required to submit a new application. The fact a property has been split, merged or reconstituted will not give rise to a fresh 5 year relief period. Any new application will take into account the number of years of any previous awards of Enterprise Zone relief.

Insolvency or Receivership

In the event that a ratepayer becomes subject to insolvency proceedings or receivership the local authority will immediately withdraw Enterprise Zone relief. This is because State Aid rules provide that financial assistance cannot be provided by a public sector body where the business is in difficulty.

Non Payment

Where the local authority is owed outstanding sums by the applicant, a parent company of, or a subsidiary of the applicant, however caused, the local authority reserves the right to refuse an application for Enterprise Zone relief until such sum is paid. This is because the local authority feels it would not be in the best interests of the local Council Taxpayer to grant a discretionary relief where the local authority is still owed an outstanding sum by the applicant, a parent company of, or a subsidiary of the applicant.

In the event that the local authority has to commence future legal proceedings to recover an outstanding sum from the ratepayer, however caused, the local authority reserves the right to withdraw future relief for this ratepayer. Accordingly the local authority will provide a 12 month notice period prior to the relief being withdrawn.

Moving in and out

Enterprise Zone relief is a discretionary relief designed to encourage and assist economic growth. Therefore it is not permissible for a business to move in and out of the Enterprise Zone within short and medium periods to take advantage of the relief provisions. A cumulative view will be taken of applicants and any subsidiaries and/or any linked companies when dealing with applications for relief to ensure the objectives of the Enterprise Zone are being met. This may result in applications for relief being refused.

Appendix 1: Discretionary Rate Relief Policy – Enterprise Zones

Appeals

There is no statutory right of appeal against a decision made by the Council regarding discretionary rate relief. However, the Council recognises that ratepayers should be entitled to have a decision reviewed if they are dissatisfied with the outcome.

If an application for Business Rate Enterprise Zone relief has been declined, the applicant may appeal for the decision to be reconsidered.

A request for appeal should be made by email no later than one month after the date of the determination and should include the reasons for requesting a review and any supporting information.

Appeals will be considered by the Head of Revenues and Benefits in consultation with the Head of Regeneration and Economic Development, independent of the original decision maker and this decision will be final.

The applicant will be notified of the outcome of the review by email within one month of receipt of the appeal.

However, this review process does not affect a ratepayer's legal right to seek leave to challenge a decision by way of Judicial Review.

State Aid

Enterprise Zone relief is subject to State Aid rules. State Aid rules exist to avoid publically funded assistance distorting competition within the European Union.

The De Minimis Regulation allows an enterprise to receive up to €200,000 De Minimis aid over any period of three financial years (as set out in EC Regulation 1998/2006 as published in the Official Journal of the European Union on 28 December 2006).

To establish whether you are eligible to receive Enterprise Zone relief, you must tell us the full amount of De Minimis aid which you have already been granted during the previous two financial years and the current financial year.

Any assistance you may have received from a public body might be a De Minimis aid. This could be from central, regional, devolved governments or agencies or a local authority.

Appendix 1: Discretionary Rate Relief Policy – Enterprise Zones

Appendix A: Kent Medical Campus Enterprise Zone boundary

