



Mansfield
District Council

Mansfield District Council

Discretionary Business Rates Relief scheme

Guidance

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Introduction

Mansfield District Council Economic Growth Plan has established the need to create the right environment so that established small to medium sized businesses (SME's) can invest in their growth potential and be supported in doing so.

Among the various costs and challenges businesses face, is the need to expand to larger or new premises and subsequent Business Rates. The increased liability caused as a result of growth is a key consideration for business and can in some instances hold back good companies from expanding.

In order to help businesses achieve their growth potential the council has introduced a new scheme to grant discretionary rate relief to help high-growth businesses to expand and attract inward investment.

Summary

The aim of this Discretionary Business Rate Relief Scheme is to help create the right environment for businesses to achieve their growth plans, create jobs and contribute to the economic development of Mansfield.

The scheme is split into two themes:

1. **Supporting high-growth businesses.**
2. **Attracting inward investors.**

Businesses can apply for relief through a competitive application process. Awards are discretionary and fitting the criteria does not automatically trigger relief.

Any successful application is applied against the net bill after all other reliefs are taken into account. All aid offered is done so through the State Aid De Minimis Regulations and therefore the maximum amount of aid available to any enterprise is 200,000 Euros within a three year period.

Eligibility

Each theme has its own qualifying criteria and variable amounts of relief may be awarded. The scheme is only available to premises being occupied with a rateable value greater than £51,000 per annum.

An application will only be accepted from tenants of a new site development or new expansion. Submission for an existing empty or previously occupied commercial property is not eligible. See [SME self-assessment questionnaire](#) if unsure.

Businesses applying for relief must have been trading for a minimum of three years with growth potential. Businesses can apply to one theme only in a single application. The table overleaf provides a summary of each theme.

Eligible business use classes

- Class E – Commercial, business and service
- Class B2 – General industrial
- Class B8 – Storage or distribution
- Class C1 – Hotels

Themes*	Maximum amounts of relief available	Theme criteria	Universal criteria	Monitoring
<p>1. Supporting high-growth businesses</p> <p>An existing growth business based in the district that is expanding a property or developing a site to occupy.</p>	<p>Relief will be offered on a sliding scale over a two year period.</p> <p>50% - year 1 25% - year 2 0% - year 3</p> <p>*Relief available to occupiers only</p>	<p>Must demonstrate that you are a high growth business – i.e. average annualised growth greater than 10% per annum, each year over a three year period.</p> <p>Growth can be measured by the number of employees or by turnover.</p>	<ul style="list-style-type: none"> Property must have a rateable value more than £51,000. Application must provide evidence of a contract of tenancy spanning the full two year rate relief period (if leasehold). The application must be the occupier of the proposed site. All applicants must be classed as an SME (small to medium sized business). See definition. Relief up to a max De Minimis limit. i.e. 200,000 euros over three years. The property is encouraged to include adoption of energy from renewable sources. The applicant must demonstrate reasons why renewable energy cannot be included in the project. Must lead to increase in employment (net new jobs within the district). Employment targets to be achieved based on HCA density guide. See employment density matrix guide. Applicant must gain relevant consent for the proposed renovation works (e.g. planning, building control). In respect of expansions this must represent a net expansion of space (including extensions to current properties). In circumstances of refurbishment, Section 44a (Partly Occupied Property) rate relief may be available if the Valuation Office is unable or unwilling to delete the rating assessment from the register during the period of works. In the circumstance of extensions, relief will be applied once the extension is on the Valuation Office rating list. Relief will be applicable to the difference of the new and old rateable values, i.e. the uplift in rates. The relief will be back dated, from the period of the works. 	<p>Accounts for three years with the application form.</p> <p>Annual accounts submitted thereafter for five years.</p>
<p>2. Attracting inward investors</p> <p>Significant inward investors moving into the district or developing sites with the intention to occupy or to occupy as a leaseholder.</p>	<p>Relief will be offered on a fixed percentage over a two year period.</p> <p>50% - year 1 25% - year 2 0% - year 3</p> <p>*Relief available to occupiers only</p>	<p>Must be a new business in the district.</p> <p>Jobs created must not have a significant risk of displacing similar employment from existing businesses in the district.</p>		<p>The business must not already be trading in the district at the point of application.</p> <p>Must meet the benefit register criteria.</p>

Process

Businesses can apply for relief under each theme at www.mansfield.gov.uk/businessratesrelief.

Alongside the application the following supporting information is required:

- Three years full audited/certified accounts
- Income/Expenditure statements
- Cash flow forecast (24 months)
- Certificate of completion (new site development)
- Copy of the signed tenancy agreement covering the rate relief period (if leased)
- Evidence of site ownership if owner-occupier.

The stages of this process are detailed below:



The relief ruling will be at the discretion of the Lead Officers Panel and the Strategic Director. The decision will be based on the business case and value for money of the project established through the application and supporting evidence. In assessment of an application the panel will have regard to:

- The employment impact (jobs created, the quality of the jobs, skill levels required, opportunities for apprenticeships, likelihood of job creation in other businesses resulting from the project such as supply chain).
- The impact on the built environment including the significance of the site from an architectural perspective or the impact on the area in which it is located.
- Ability to deliver the project and the credibility of the applicant to deliver.
- Impact and compatibility with the plans for the economic development of the district.
- The need for the relief.
- The business will be viable after the period of relief.
- Fit with theme criteria.

Defined exceptions to support

This policy aligns with the exceptions included within existing Business Rates Relief policies and therefore the following establishments are considered to be not eligible for rates grant.

- Bookmakers, gambling establishments, vape or tobacco retailer or manufacturers.
- Car Parks.
- Nurseries, crèche and educational establishments.
- Shops/venues wholly or mainly offering material of an adult or sexual nature.

How will the relief be applied?

The relief is applied against the net bill after all other reliefs are taken into account. Any existing sums due must continue to be paid whilst the application under this policy is being considered.

Monitoring

Applicants will be monitored on a regular basis against the delivery of the project as described in their application. These outputs are the basis upon which aid is awarded. Failure to deliver outputs may result in clawback/withdrawal of the aid provided.

Lead officers identified will be responsible for reporting output and financial performance internally on a quarterly basis. Performance monitoring information will be collated in an agreed format and checked by the rates team. A report will then be compiled by the Economic Development Service and Rates Officer. Performance will be reported to the Mansfield District Council Panel Board.

The processes and priorities of this scheme will be reviewed periodically.

State Aid

The provisions that govern this relief come under Section 69 of the Localism Act 2011, which amended Section 47 Local Government Finance Act 1988.

The support offered under this policy is given under the State Aid Regulations (1407/2013). This allows an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).

All those who are successful in their application will be required to complete and return a State Aid declaration form which sets out the amount of aid offered to the businesses through this relief in Pounds Sterling (£) and Euros (€)[1].

This is included as a record for the business of the amount of State Aid they have received and must be taken into account by that business for any future State Aid support they receive. Businesses will be required to retain this form for three years from its date.

The business will only need to complete the declaration for any other public support received which is De Minimis aid. State Aid received under other exemptions or public support which is not State Aid does not need to be declared.

We are required to carry out this monitoring procedure, which will assist the council and businesses to minimise the risk that they breach the €200,000 ceiling. The consequence of such a breach would be that the aid to a business may be held to be unlawful by the European Commission or the court and recovered from the recipient business with interest.

Appeals

All appeals must be made by contacting the Lead Officer (Economic Development), through the contact details on the refusal letter. Appeals will be dealt with in writing detailing the appellant's rationale for why they believe that they are eligible for relief.

Appeals will be assessed in line with the agreed criteria for each theme and the plans and strategies of Mansfield District Council. Decisions are taken at the discretion of the Strategic Director in consultation with the Revenues Manager and Lead Officers Panel.

All appeals will be reviewed within four weeks of submission of all necessary information. All decisions taken on appeals are final and the outcome will be recorded and delivered to the business in writing. If an appeal is successful, rate relief will be backdated for the full eligible period, in that fiscal year. Appeals may only be made for the current fiscal year and cannot be applied to previous years.

[1] - Calculated at the exchange rate of the date the bill is produced