

Rate Relief Policy

Summary:

1. In the Budget on 17 November 2022 the Chancellor announced the Government would award a 75% Retail, Hospitality and Leisure Relief for properties up to a cash limit of £110,000 per business for the 2023/24 financial year.

2. In the Budget on 17 November 2022 the Chancellor announced the Government would extend Supporting Small Business Relief (SSB) for another year until 31 March 2024 for businesses who were eligible for the 2022/23 relief on 31 March 2023 and were facing large increases in rates for 2023/24. The Chancellor also announced a new Supporting Small Business (SSB) Relief scheme which will cap bill increases at £600 per year for any businesses that had a Rateable Value (RV) increase from 1 April 2023 caused by the revaluation and consequently lost Small Business Rates Relief or Rural Rate Relief.

3. In the Spring Statement on 23 March 2022 the government announced it would bring forward to 1 April 2022 100% relief for low-carbon heat networks.

4. On 27 January 2020, the Financial Secretary to the Treasury made a Written Ministerial Statement announcing additional business rates measures that will apply from 1 April 2020 including the extension of the £1,500 business rates discount for office space occupied by local newspapers that will apply for an additional 5 years until 31 March 2025. The scheme will be available to local newspapers that occupy office space. Under the scheme, eligible local newspaper businesses will continue to receive up to a £1,500 discount on their bill for the 2022/23 financial year.

5. The 2016 Autumn Statement confirmed the doubling of rural rate relief available to eligible businesses from 50% to 100%. The Government subsequently set out their intention to amend the relevant primary legislation to require local authorities to grant 100% mandatory rural rate relief. Following the decision not to reintroduce the Local Government Finance Bill, for 2018/19 the Government expects local authorities to continue to use their discretionary relief powers to grant 100% rural rate relief to eligible ratepayers in 2022/23, as they have done previously.

6. Under section 49 of the Local Government Act 1988 businesses can apply for Hardship Relief. This scheme has now been incorporated within this rate relief policy.

The cost of this scheme is funded in accordance with the Non-Domestic Rates financial retention rules.

The Government expects local authorities to use their discretionary relief powers to grant these reliefs. All the above (except the Hardship Policy) will be compensated in full for our loss of rates income because of these changes. This compensation will be paid by section 31 grant and calculated based on the returns that the council makes under the rates retention scheme.

The Council's Discretionary Rate Relief Policy has been revised to reflect these changes.

Conclusions: The policy has been updated to reflect the new and extended schemes announced and includes guidelines as to how the schemes are to be implemented and the financial implications on the authority.

Recommendations: **That the Revenues Manager continues to have delegated authority to make decisions up to the NNDC cost value of £4k as indicated in Appendix A.**

That the Revenues Manager has delegated authority to make Hardship Relief decisions up to the NNDC cost value of £4k as indicated in Appendix C.

That the Rate Relief Policy is revised as indicated in Appendix A, B and C.

Reasons for Recommendations: The new policy will enable the Retail Hospitality and Leisure Relief, Supporting Small Business Relief, the scheme for local newspaper discount, scheme for low-carbon heat networks, Hardship Relief and the Rural Rate Relief to be awarded discretionary reliefs in 2022/23 & 2023-24.

Cabinet Member(s) All	Ward(s) affected All
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1. Introduction

- 1.1 National Non-Domestic Rates (NNDR) are paid by those occupying non-domestic property and collected by the local authorities. Under the business rate retention scheme introduced from April 2013, 50% of the business rates paid is kept locally, 40% by North Norfolk District Council (NNDC) and 10% Norfolk County Council and the balance is paid back to government, an element of which is then paid back to local authorities through the Formula

Grant System. As part is retained by local authorities, they are incentivised to increase their NNDR yield as they now benefit directly from it.

- 1.2 There are currently several different reductions available to businesses. Empty properties – Business rates will not be payable in the first three months that a property is empty (six months for certain industrial properties). After this period empty rate is payable at the full charge. There are a few exemptions such as listed buildings and land used as storage.
- 1.3 Small business rate relief (SBRR) – the relief supports small businesses who generally occupy only one property. SBRR was available at 100% for eligible properties up to £6,000 rateable value (RV) and was tapered for properties with a RV up to £12,000. The 100% relief was extended until 31 March 2017 and if a ratepayer receiving small business rate relief took on an additional property, they continued to receive their existing relief for 12 months (previously if they had taken on a second property they would have been disqualified from the relief).
- 1.4 At Budget 2016, the Government confirmed that the doubling of the SBRR from 50% to 100% would be made permanent from 1 April 2017.
- 1.5 The relief has been increased from 2017/18 to 100% for eligible properties up to £12,000 rateable value (RV) and is tapered for properties with a RV up to £15,000 and if a ratepayer receiving SBRR takes on an additional property or properties within the threshold RV they will continue to receive their existing relief for 12 months.
- 1.6 Charity and discretionary reliefs – Charities are entitled to an 80% reduction in their bills. The Council has discretion to grant reliefs in other circumstances and the report covers these areas of discretion.

2. Discretionary Rate Relief

- 2.1 Under Section 47 of the Local Government Finance Act 1988 billing authorities have discretion to grant relief to certain ratepayers (certain types of charitable and non –profit organisations) from all or part of their non-domestic rates payable. The Localism Act 2011 amended section 47 of the Local Government Finance Act 1988 to enable local authorities to grant relief in a wider range of circumstances.
- 2.2 The cost of granting discretionary relief varies according to the circumstances. Full details of the circumstances are in the policy and guidelines within Appendix A.
- 2.3

Type of Relief	% Funded by the Council	% Funded by central government
Mandatory Relief for charities and community amateur sports clubs (CASCs) (80%)	40%	50%
Up to 20% discretionary relief to top up mandatory	40%	50%
Up to 100% discretionary relief for other eligible organisations	40%	50%

- 2.3 Should a local authority choose to award discretionary rate relief under the Localism Act powers to a business or profit organisation the Council will bear the full 100% cost.

3. New Schemes

- 3.1 In the budget statements since 2016 onwards the government announced new schemes of discretionary rate reliefs to assist and encourage the development and occupation of business premises.
- 3.2 The new schemes are all fully funded by central government.

4. Conclusion

- 4.1 The Rate Relief Policy and guidelines have been amended to reflect the changes introduced by central government.

5. Implications and Risks

- 5.1 It is important that the Council's policy and guidelines are clear about the criteria under which it will make an award as all potential applicants need to be aware of the grounds for eligibility for discretionary relief, what their own responsibilities are and why their application has either been accepted or refused.

6. Financial Implications and Risks

- 6.1 The new schemes are fully funded by central government.
- 6.2 The other discretionary and mandatory relief schemes are funded as indicated in paragraph 2.3 through the business rate retention scheme.

7. Sustainability

- 7.1 The granting of reliefs assists organisations to be viable, particularly in rural areas, and this aids the development of sustainable communities and ensures that people have access to goods, services, leisure, and other opportunities.

8. Equality and Diversity

- 8.1 On considering this policy against the categories looked at within the Equality Impact Assessment process – age, disability, gender, race, religion or belief, sex, sexual orientation, the policy has no adverse impact.

9. Section 17 Crime and Disorder considerations

- 9.1 There are no crime and disorder implications arising from the policy.