

Non-Domestic (Business) Rates Policy 2024-25	
Executive Summary	The Non-Domestic (Business) Rates Policy 2024-25 has been revised to reflect the new and extended schemes announced by government and includes guidelines as to how the schemes are to be implemented and the financial implications on the authority.
Options considered.	The policy is discretionary, so members can decide not to agree to the recommendations.
Consultation(s)	<p>The Government expects local authorities to use their discretionary relief powers to grant these reliefs.</p> <p>The Retail Hospitality and Leisure Relief, Supporting Small Business Relief, the scheme for local newspaper discount, scheme for low-carbon heat networks, Hardship Relief, Rural Rate Relief and Flood Relief. All of these (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.</p> <p>The Council's Discretionary Rate Relief Policy has been revised to reflect these changes.</p>
Recommendations	<ol style="list-style-type: none"> 1. It is agreed by Full Council 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. 2. It is agreed by Full Council 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. 3. It is agreed by Full Council 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, Rural Rate Relief and Flood Relief to be awarded discretionary reliefs.
Background papers	<ol style="list-style-type: none"> 1. In the Budget on 22 November 2023 the Chancellor announced the Government would extend the award of 75% Retail, Hospitality and Leisure Relief for properties up to a cash limit of £110,000 per business for the 2024/25 financial year. 2. In the Budget on 17 November 2022 the Chancellor 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

	<p>consequently lost Small Business Rates Relief or Rural Rate Relief.</p> <p>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.</p> <p>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.</p> <p>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. From 1 April 2024 the discretionary 50% rural rate relief top up has been replaced so local authorities can grant 100% mandatory rural rate relief instead.</p> <p>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.</p> <p>8. Under the government's flood recovery framework, businesses can apply for Flood Relief. This scheme has now been incorporated within this rate relief policy. Businesses can receive a minimum of 3 months rate relief. The cost of this scheme is fully funded by government.</p>
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Wards affected	All
Cabinet member(s)	Cllr Lucy Shires
Contact Officer	Sean Knight Revenues Manger Sean.Knight@north-norfolk.gov.uk

Links to key documents:	
Corporate Plan:	Strong Responsible & Accountable Council.
Medium Term Financial Strategy (MTFS)	The NNDR Discretionary Rate Reliefs approved by Members will be used for calculating the NNDR1 which feeds into the budget setting process and is part of the Medium-Term Finance Strategy.
Council Policies & Strategies	Budget Setting & Medium-Term Finance Strategy.

Corporate Governance:	
Is this a key decision	
Has the public interest test been applied	
Details of any previous decision(s) on this matter	22 February 2022, Non-Domestic (Business) Rates Policy 2024-25.

1. Purpose of the report

The Non-Domestic (Business) Rates Policy 2024-25 has been revised to reflect the new and extended schemes announced by government and includes guidelines as to how the schemes are to be implemented and the financial implications on the authority.

2. Introduction & Background

- 2.1 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.
- 2.2 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.
- 2.3 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).

- 2.4 At Budget 2016, the Government confirmed that the doubling of the SBRR from 50% to 100% would be made permanent from 1 April 2017.
- 2.5 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.
- 2.6 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.

3. Discretionary Rate Relief

- 3.1 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.
- 3.2 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.
- 3.3 The table below details the existing types of relief and the funding according to the government’s rate retention rules.

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%

- 3.4 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.
- 3.5 **New Schemes**
- 3.6 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.
- 3.7 The new schemes are all fully funded by central government.

3.8 **Conclusion**

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

4. **Corporate Priorities**

- 4.1 Financial Sustainability and Growth - Awarding businesses rate relief helps the Council to support their financial sustainability which can lead to commercial growth.

5. **Financial and Resource Implications**

- 5.1 The new schemes are fully funded by central government and are used in the budget setting and is part of the Medium-Term Finance Strategy.
- 5.2 The other discretionary and mandatory relief schemes are funded as indicated in paragraph 2.3 through the business rate retention scheme.

Comments from the S151 Officer:

The new schemes are fully funded by central government and are used in the budget setting and is part of the Medium-Term Finance Strategy.

6. **Legal Implications**

- 6.1 This report does not raise any new legal implications.

Comments from the Monitoring Officer

The Council has the power to make discretionary rate relief awards to Non-Domestic (Business) Rates accounts and needs to approve such for each financial year.

7. **Risks**

- 7.1 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.

8. **Net Zero Target**

- 8.1 This report does not raise any issues relating to Climate change.

9. **Equality, Diversity & Inclusion**

- 9.1 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.

10. **Community Safety issues**

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

11. **Conclusion and Recommendations**

- 11.1 The policy has been updated to reflect the new and extended discretionary rate relief schemes announced and includes guidelines as to how the schemes are to be implemented and the financial implications on the authority.

Recommend to Full Council that the following recommendations are agreed:

It is agreed by Full Council 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.

It is agreed by Full Council 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.

It is agreed by Full Council that the Rate Relief Policy is revised as indicated in Appendix A, B and C.