

**UTTLESFORD DISTRICT COUNCIL**

**BUSINESS RATES - DISCRETIONARY RATE RELIEF/DISCOUNT**

**POLICY EFFECTIVE 1<sup>st</sup> April 2023**

**Policy objectives**

1. To support the local economy by providing incentives for occupation of empty premises, encourage business start-up and business expansion within Uttlesford.
2. To support rural communities by providing assistance to businesses operating in rural locations.
3. To contribute to maximizing the Council's financial position under the business rates retention scheme by encouraging longer term rateable value growth.
4. To support town Centre high streets, evolve during a period of significant changes in customer behaviour.

**Administration**

5. The policy will be administered by the Council's Revenues service, who will determine the relief application process using the criteria set out in this policy.
6. Applications for the Business Development category of relief will be assessed by the Council's Economic Development Officer who will notify the Revenues service of decisions made.
7. Eligibility for relief will typically be based upon objective criteria such as the rateable value, location, and nature of an organization's business. A business's profitability will not ordinarily be a relevant factor for determining eligibility. The intention is for a streamlined process that is simple to administer for both applicants and the Council. The Council shall have the right to request any additional information it considers necessary to determine an application.
8. The over-riding consideration in the determination of any application is that the granting of relief must be judged to be in the wider interests of the Uttlesford community and its council tax payers.
9. Appeals against unsuccessful applications for relief will be determined by the Section 151 Officer, whose decision shall be final. There shall be no further right of appeal.
10. The granting of discretionary relief will typically be on a rolling one-year basis so that the Council has the agility to adjust the policy to reflect changing needs and circumstances.
11. The policy will be subject to annual review and approval by the Council.

**Subsidy Limitations**

1. Granting of discretionary rate relief is subject to limitations under The Subsidy Control Act 2022
2. To the extent that a local authority is seeking to provide discretionary relief that falls below the Minimal Financial Assistance (MFA) thresholds, the Subsidy Control Act allows an economic actor (e.g. a holding company and its subsidiaries) to receive up to £315,000 in a 3-year period (consisting of the current financial year & the 2 previous financial years).

## Business Rates Relief Policy

3. COVID-19 business grants received from local government, and any other subsidy claimed under the Small Amounts of Financial Assistance limit of the Trade and Cooperation Agreement should be counted.

CATEGORY OF RELIEF	ELIGIBLE ORGANISATIONS	MANDATORY RELIEF	DISCRETIONARY RELIEF
<b>Retail, Hospitality and Leisure Relief</b> <b>1<sup>st</sup> April 2023</b> <b>S47 Relief</b>	<p>For Retail, Leisure and Hospitality Businesses that are in occupation for the 2023/2024 financial year.</p> <p><a href="https://www.gov.uk/guidance/2022-23-retail-hospitality-and-leisure-relief-scheme-local-authority-guidance">2022/23 Retail, Hospitality and Leisure Relief Scheme: local authority guidance - GOV.UK (www.gov.uk)</a></p>	<p>Not applicable</p>	<p>To further support Businesses during the Cost-of-Living crisis, in the Autumn budget on 17<sup>th</sup> November 2022 the Government announced a new business rate relief scheme for retail, hospitality and leisure properties for the 2023/2024 financial year.</p> <ul style="list-style-type: none"> <li>• Occupied retail, leisure, and hospitality properties for 2023/2024 (subject to certain exceptions see Government guidance)</li> <li>• No Rateable Value limits.</li> <li>• 75% relief for the period 1<sup>st</sup> April 2023 – 31<sup>st</sup> March 2024</li> <li>• This relief will be subject to a cash cap limit of <b>£110,000</b>. This cap applies to the Business and its subsidiaries not to individual properties or premises</li> <li>• The relief will only be applied after all other mandatory reliefs and other discretionary reliefs funded by section 31 have been applied.</li> <li>• Locally funded reliefs such as hardship relief must be applied after the Retail Discount</li> </ul> <p>Businesses may choose to opt out of this relief, by providing notification to the Council of their request, per eligible hereditament, but will be unable to opt back in at a later date.</p> <p>In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, billing authorities may not grant the relief to themselves, certain precepting authorities (e.g. a parish or county council) or a functional body, within the meaning of the Greater London Authority Act 1999.</p>

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			Local Authorities will be fully reimbursed for their Local share under the Section 31 grant.  <b>This scheme will end on the 31<sup>st</sup> March 2024.</b>																
<b>Transitional Relief 1<sup>st</sup> April 2023</b>	From the 1 <sup>st</sup> April 2023 the Rateable Value of Businesses are subject to a Revaluation.  <a href="https://www.gov.uk/business-rates-relief">Business rates relief: Transitional relief - GOV.UK (www.gov.uk)</a>	This scheme limits the amount of additional rates a Business will need to pay over a 3 year period, following the revaluation.  <table border="1"> <thead> <tr> <th>Rateable value</th> <th>2023 to 2024</th> <th>2024 to 2025</th> <th>2025 to 2026</th> </tr> </thead> <tbody> <tr> <td>Up to £20,000 (£28,000 in London)</td> <td>5%</td> <td>10% plus inflation</td> <td>25% plus inflation</td> </tr> <tr> <td>£20,001 (£28,001 in London) to £100,000</td> <td>15%</td> <td>25% plus inflation</td> <td>40% plus inflation</td> </tr> <tr> <td>Over £100,000</td> <td>30%</td> <td>40% plus inflation</td> <td>55% plus inflation</td> </tr> </tbody> </table> New burdens funding will be provided by Government to support Local Authorities in the administration of this scheme.	Rateable value	2023 to 2024	2024 to 2025	2025 to 2026	Up to £20,000 (£28,000 in London)	5%	10% plus inflation	25% plus inflation	£20,001 (£28,001 in London) to £100,000	15%	25% plus inflation	40% plus inflation	Over £100,000	30%	40% plus inflation	55% plus inflation	Not Applicable
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<b>Heat Network Relief 1<sup>st</sup> April 2023 S47 Relief</b>	Heat networks take heat or cooling from a central source(s) and deliver it to a variety of different customers such as public buildings, shops, offices, hospitals, universities, and homes.  By supplying multiple buildings, they avoid the need for individual boilers or electric heaters in every building.	Not applicable	To be eligible for Heat Network Relief the hereditament must: <ul style="list-style-type: none"> <li>• Have their own business rates assessment.</li> <li>• Be wholly or mainly used for the purpose of a heat network, and</li> <li>• The heat, over the next 12 months, is expected to be generated from a low carbon source (irrespective of whether that source is located on the hereditament or on a different hereditament).</li> </ul> <b>Exclusions</b>																

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	<p>Heat networks have the potential to reduce bills, support local regeneration and be a cost-effective way of reducing carbon emissions from heating.</p> <p>Full details for this relief and the eligibility rules can be found on the <a href="https://www.gov.uk/guidance/business-rates-heat-network-relief-local-authority">Business rates heat network relief: local authority guidance - GOV.UK (www.gov.uk)</a></p>		<p>The following hereditaments are not eligible for Heat Network relief:</p> <ul style="list-style-type: none"> <li>• Those that are wholly or mainly providing heat for a different purpose, for example an industrial process.</li> <li>• Those that do not have their own business rates assessment such as small and medium scale heat networks, for example common heating systems in multi-occupied buildings or estates, which do not give rise to a separate business rates bill. In these cases, the heat network forms part of the services of the properties which have a wider purpose (e.g., offices)</li> </ul> <p><b>How much relief will be available?</b></p> <p>Relief is available at 100% of the chargeable amount for the hereditament for any day on which the eligibility criteria are met.</p> <p>As this is currently a discretionary relief under S47 it will be applied after any applicable mandatory reliefs, but before any other discretionary reliefs.</p> <p>This scheme will continue until the <b>31<sup>st</sup> March 2024</b> or until it is replaced by a mandatory relief scheme.</p>

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<p><b>Supporting Small Businesses Relief 2023/2024 S47 Relief</b></p>	<p>Eligible Businesses will be those where the following circumstances apply.</p> <ul style="list-style-type: none"> <li>• The business rates bill is increasing after the revaluation commencing 1<sup>st</sup> April 2023 and</li> <li>• The business will lose some or all of the small business rate relief or rural rate relief</li> </ul> <p><a href="#">Business Rates Relief: 2023 Supporting Small Business Relief, local authority guidance - GOV.UK (www.gov.uk)</a></p>	<p>Not applicable</p>	<p>For the 2023/2024 financial year no bill will go up by more than £600 (£50 per month).</p> <p>If the property becomes entitled to 100% Small Businesses Relief or Rural rate relief after the 1<sup>st</sup> April 2023, no Supporting Small Businesses relief will be applicable.</p> <p>If the entitlement to Supporting Small Businesses Relief ends e.g., the property becomes unoccupied, there will be no entitlement on a later date if reoccupied.</p> <p>There is no second property test for eligibility. However, those that lost entitlement to Small Business Rate Relief (because they failed the second property test) but have under the Small Businesses Relief rules been given a 12-month grace period before their relief ended, can continue under this scheme for the remainder of the 12 grace month period.</p> <p>This is a S47 relief, the calculation will change so that the discount will only be applied after all other mandatory reliefs have been applied.</p> <p>Hereditaments eligible for charity or Community Amateur sports Club relief which are unoccupied will not be eligible for 2023 Supporting Small Businesses Relief.</p> <p>Local Authorities will be fully reimbursed under section 31 grant.</p> <p><b>This scheme will end on the 31<sup>st</sup> March 2024</b></p>

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<b>Local Newspaper Relief</b>	Local Newspapers occupying office space  <a href="http://www.gov.uk">Business rates relief: Local newspaper relief - GOV.UK (www.gov.uk)</a>	Not applicable	One discount per newspaper title <ul style="list-style-type: none"> <li>Discount of £1,500</li> <li>New from 1<sup>st</sup> April 2020</li> <li>Funded via section 31 grant</li> </ul>
<b>Rural Rate Relief</b>	Situated in a rural settlement with a population below 3,000  <a href="http://www.gov.uk">Business rates relief: Rural rate relief - GOV.UK (www.gov.uk)</a>	50% mandatory rate relief for: <ul style="list-style-type: none"> <li>A sole general store, post office or food shop with a rateable value of less £8,500</li> <li>A sole public house or petrol station with a rateable value of less than £12,500</li> </ul>	Situated within a rural settlement with a population below 3,000: <ul style="list-style-type: none"> <li>A sole general store, post office, food shop, public house or petrol station with a rateable value exceeding the stated thresholds, but with a rateable value of up to £16,500, may be considered for up to 100% discretionary rate relief.</li> </ul> <p><b>NEW FOR 2017/18:</b> A sole general store, post office, food shop, public house or petrol station with a rateable value of between £16,501 and £27,500 may be considered for 100% discretionary rate relief up to the value of the £16,500. For example, a qualifying business with an RV of £18,500 would receive 100% relief up to £16,500 rateable value and would be required to pay rates on the remaining £2,000 of rateable value.</p> <p>Discretionary local rural rate relief will be applied after any other applicable reliefs have been deducted.</p>
<b>Charitable relief</b>	<ul style="list-style-type: none"> <li>Registered charities</li> <li>Registered Community Amateur Sports Clubs</li> <li>Community Interest Companies</li> </ul>	Charities and Registered Community Amateur Sports Clubs are entitled to 80% relief where the property is occupied by the Charity or Club and is wholly or mainly used for charitable purposes or as a Registered Community Amateur Sports Club.	Charities and Registered Community Amateur Sports Clubs maybe considered for up to 20% discretionary rate relief.  <b>FROM 2014/15:</b> Community Interest Companies that have charitable aims (and use profits for charitable purposes) may be considered for up to 100% discretionary rate relief.

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	<a href="#">Business rates relief:</a> <a href="#">Charitable rate relief</a> <a href="#">- GOV.UK</a> <a href="http://www.gov.uk">www.gov.uk</a>		
<b>Small Business Rate Relief</b>	<p>Businesses with a rateable value of up to £14,999</p> <p>For properties from 15,000 – 50,999 will have their business rates calculated with the small business rate multiplier</p> <p><a href="#">Business rates relief: Small business rate relief - GOV.UK</a>  <a href="http://www.gov.uk">www.gov.uk</a></p>	<p>From 1<sup>st</sup> April 2017 Businesses with a rateable value up to £12,000 will receive 100% relief.</p> <p>Businesses with a rateable value between £12,000 to £14,999 – 100% relief decreases on a sliding scale by 1% for every £30 of rateable value between £12,000 and £14,999.</p> <p>Rateable value of £15,000 to £ 51,999 – no relief is allowed, but the bill is calculated using the small business multiplier.</p>	None
<b>Flooding Rate Relief</b>	Businesses whose premises are flooded due to bad weather	Not applicable	100% rate relief for three months from the date of the first flooding. (approved by Full Council 27 February 2014)
<b>Unoccupied property rating</b>	<p>Any business</p> <p><a href="#">Business rates relief: Exempted buildings and empty buildings relief - GOV.UK</a>  <a href="http://www.gov.uk">www.gov.uk</a></p>	<p>Business rates are not payable in the first three months that a property is empty. This is extended to six months in the case of certain industrial properties.</p> <p>Certain definitions and exemptions apply – please refer to the website for full details.</p>	None
<b>Hardship Relief</b>	Businesses who are suffering financial hardship because of a one-off event beyond their control	Not applicable	Discretionary rate relief of up to 100% for a limited period depending on circumstances. Consideration would also be giving to deferring payment due dates.

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<p><b>Business Development relief</b></p>	<p>Micro, Small or Medium Sized Enterprise (SME)</p> <ul style="list-style-type: none"> <li>• Businesses relocating to the Uttlesford District</li> <li>• Businesses currently located in the Uttlesford District and expanding</li> <li>• Businesses currently located in the Uttlesford District and being forced to move premises</li> </ul> <p><a href="#">Discretionary Business Development - Business Rate Relief Scheme Policy - Uttlesford District Council</a></p>	<p>Not applicable</p>	<p>To be eligible Businesses must meet the following criteria</p> <ul style="list-style-type: none"> <li>• Rateable Value of less than £12,000</li> <li>• Businesses has been trading for minimum of 2 years</li> <li>• Business must either own the premises or have a lease with a minimum 3 year period</li> </ul> <p>Relief of up to 50% for the first year and up to 25% for the second year.</p> <p>In the case of businesses expanding and moving into larger premises, the relief would be on the difference between the rates payable on the original premises and the rates payable on the extended premises.</p> <p>Full details of the Discretionary Business Rates Relief can be found on the council website.</p> <p>The scheme is administered by the Economic Development Service.</p>