

**Committee:** Council **Date:** Monday,  
11 March 2024

**Title:** Business Rates Reliefs Policy 2024/25

**Portfolio Holder:** Councillor Neil Hargreaves,  
Portfolio Holder for Finance and the Economy

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## Summary

1. The Council is required to review and approve its policy for the application of business rates reliefs on an annual basis. This policy covers both reliefs which are mandatory (as determined by central government), and discretionary (as awarded by the Council under section 47 of the Local Government Finance Act 1988).
2. In practice, most discretionary reliefs are funded by way of central government grant, provided that the Council agrees to adopt and administer the reliefs in line with the associated government guidance. As such, for the most part, the Council's Business Rates Reliefs Policy serves simply to enact central government policy at a local level.
3. The proposed Business Rates Reliefs Policy 2024/25 is set out at Appendix A to this report. There are very few changes to the 2023/24 policy, and those of significance are set out at paragraphs 8 to 18 below.

## Recommendations

4. It is recommended that Council approves and adopts the Business Rates Reliefs Policy 2024/25 as set out at Appendix A to this report, to take effect from 1 April 2024, using its discretionary powers under section 47 of the Local Government Finance Act 1988 (as amended).

## Financial Implications

5. The financial implications of the proposed Business Rates Relief Policy 2024/25 have already been factored into the 2024/25 General Fund budget, which was approved by Council on 26 February 2024.

## Background Papers

6. This report has been prepared with reference to published government guidance on each of the forms of business rates relief set out in Appendix A. This guidance is available to the public on the gov.uk website.

## Impact

7.

Communication/Consultation	Corporate Management Team (CMT) and Informal Cabinet Briefing (ICB)
Community Safety	N/A
Equalities	N/A
Health and Safety	N/A
Human Rights/Legal Implications	Policy ensures compliance with the Subsidy Control Act 2022
Sustainability	N/A
Ward-specific impacts	N/A
Workforce/Workplace	N/A

## Changes to Policy

8. The changes of substance from the equivalent 2023/24 policy are set out in the following paragraphs:

### Backdating of Reliefs

9. Previously, local authorities were only permitted to award reliefs with effect from the start of the financial year in which an application was made. However, the Non-Domestic Rating Act 2023 allows the Council full flexibility on the award, backdating, and revocation of discretionary reliefs from 1 April 2024.
10. It is proposed that the Council applies these new discretionary powers in order to consider the backdating of reliefs in the following limited circumstances:-
- i. where the application for relief is made and determined within 6 months of the end of that financial year; or
  - ii. where a hereditament is entered into the rating list for the first time and an application for relief is made within 3 months of the hereditament entering the rating list; or
  - iii. where the cost of the backdated relief will be met by central government through a funded scheme (e.g. retail, hospitality and leisure relief, local newspaper relief, and supporting small business relief), provided that any additional conditions set by government have been met.

11. In all cases, any backdating remains at the discretion of the Council, and under legislation no backdating can be considered in respect of any period prior to 1 April 2023.

#### Improvement Relief

12. This new relief will support businesses undertaking qualifying improvements to their property, by effectively delaying any resultant increase in business rates for 12 months.
13. In order to qualify for this relief, works must increase the area of any building, otherwise improve the physical state of the hereditament, or add to the rateable value of its plant and machinery. In addition, works must be completed by 31 March 2028, and the same ratepayer must be in occupation from the date of completion throughout the period that the relief is claimed. Improvement relief does not apply to new builds, refurbished hereditaments which are removed from the rating list whilst works are carried out, changes of use alone, or the addition of land.

#### Heat Network Relief

14. Heat network relief was introduced as a discretionary relief with effect from 1 April 2023. It provides 100% relief for eligible hereditaments which are wholly or mainly used for the purpose of a heat network, where heat is expected to be generated from a low carbon source.
15. With effect from 1 April 2024, heat network relief will change from a discretionary relief to a mandatory relief. The amount of relief available and eligibility criteria are unchanged.

#### Small Business Multiplier

16. Following changes to legislation with effect from 1 April 2024, the small business multiplier will now apply to most properties with a rateable value of under £51,000. This will include properties which were previously ineligible such as those occupied by charities and unoccupied properties.

#### Business Development Relief

17. This local discretionary relief was funded from the £1 million Business Recovery Fund. This was always intended to be a time-limited measure, and will cease as planned on 31 March 2024.

#### Extension of Existing Reliefs

18. The following reliefs, which had been due to end on 31 March 2024, have now been extended by the government until 31 March 2025 on the same terms as they currently operate:
  - i. retail, hospitality and leisure relief; and
  - ii. supporting small businesses relief.

## Risk Analysis

19.

Risk	Likelihood	Impact	Mitigating actions
The Council's policy is not in accordance with government guidance	1 – low due to the level of expertise within the Revenues and Benefits service	3 – Council may be unable to reclaim the cost of providing some reliefs from central government if conditions have not been met	Policy has been reviewed by senior officers prior to recommendation to Council
Reliefs are not administered in line with the policy, or inaccurate or fraudulent applications for reliefs are made	1 – low due to the level of expertise within the Revenues and Benefits service, information held on businesses, and access to the central valuation register	2 – incorrect allocation of reliefs, loss of income from government reimbursement of ineligible claims	Officers collect and check details against various databases, and have the support of software provided by HMRC to check for fraudulent claims

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project