

UTTLESFORD DISTRICT COUNCIL

BUSINESS RATES - DISCRETIONARY RATE RELIEF/DISCOUNT

POLICY EFFECTIVE 1 APRIL 2024

Policy objectives

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

Administration

5. The policy will be administered by the Council's Revenues and Benefits service, who will determine the relief application process using the criteria set out in this policy.
6. Eligibility for relief will typically be based upon objective criteria such as the rateable value, location, and nature of an organisation's business. Business 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.
7. The Council will usually award relief from the beginning of the tax year in which an application is made, or the start date of the ratepayer's liability, whichever is the later. Backdating relief for periods before the current rate year will be considered where:
 - a) the application for relief is made and determined within 6 months of the end of that financial year; or
 - b) 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
 - c) 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.
8. Under the Non-Domestic Rating Act 2023, any backdating of relief is at the discretion of the Council, and no backdating can be considered for periods prior to 1 April 2023.
9. The overriding 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.
10. 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.
11. The granting of discretionary relief will typically be on a rolling one year basis so that the Council can adjust its policy to reflect changing needs and circumstances.
12. The policy will be subject to annual review and approval by the Council.

Subsidy Limitations

13. Granting of discretionary rate relief is subject to limitations under the Subsidy Control Act 2022.

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14. 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 three year period (consisting of the current financial year and the two previous financial years). Note that this limit applies cumulatively to all support received from UK public authorities during this period, including other forms of support under MFA arrangements, Service of Public Economic Interest Assistance (SPEIA), aid given under the EU State Aid de minimis regulations, and subsidies given as small amounts of financial assistance under the UK-EU Trade and Cooperation Agreement.
15. Extended Retail Discounts granted in 2021/22 or 2022/23 do not count towards the limit, although Covid-19 business grants received from local government should be counted.
16. Where a business identifies a risk that the MFA threshold may be breached, it has a duty to notify the Council immediately, whether or not relief has already been granted.

Categories of Relief

CATEGORY OF RELIEF	ELIGIBLE ORGANISATIONS	MANDATORY RELIEF	DISCRETIONARY RELIEF
Retail, Hospitality and Leisure Relief 1 April 2024	For retail, leisure and hospitality businesses that are in occupation for the 2024/2025 financial year.	Not applicable	<p>To further support businesses during the cost of living crisis, in the autumn budget on 22 November 2023 the government announced an extension to the retail, hospitality and leisure relief for the 2024/2025 financial year.</p> <ul style="list-style-type: none"> • Occupied retail, leisure, and hospitality properties for 2024/2025 (subject to certain exceptions – see government guidance). • No rateable value limits. • 75% discount for the period 1 April 2024 – 31 March 2025. • This relief will be subject to a cash cap limit of £110,000. This cap applies to the business and its subsidiaries not to individual properties or premises. • The discount will only be applied after all other mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied. • Locally funded reliefs such as hardship relief must be applied after this relief.

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			<p>In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, billing authorities may not grant the discount 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> <p>Local authorities will be fully reimbursed for their local share by way of a section 31 grant.</p> <p>Businesses may choose to opt out of this discount, by providing notification to the Council of their request to refuse support, per eligible hereditament, but will be unable to opt back in at a later date.</p> <p>This scheme will end on 31 March 2025.</p>
<p>Improvement Relief From 1 April 2024</p>	<p>Improvement Relief will support businesses wishing to invest in their property.</p> <p>It will ensure that no ratepayer will face higher business rates bills for 12 months because of qualifying improvements to a property they occupy.</p>	<p>Eligibility</p> <ul style="list-style-type: none"> • Qualifying works condition – the works should increase the area of any building in or on the hereditament, otherwise improve the physical state of the hereditament, or add to its rateable plant and machinery. • Occupation condition – the same ratepayer has been in occupation of the hereditament on each day since the qualifying works commenced. • Applies to all eligible works completed by 31 March 2028. <p>Exclusions</p> <ul style="list-style-type: none"> • New builds. • Refurbished hereditaments (which had left the rating list during the 	<p>Not applicable</p>

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		<p>works).</p> <ul style="list-style-type: none"> • A change of use alone or the addition of land. • New occupiers who have inherited the improvements from a previous occupier. 																	
<p>Transitional Relief 1 April 2024</p>	<p>The rateable value of businesses was subject to a revaluation with effect from 1 April 2023.</p>	<p>This scheme limits the amount of additional rates a business will need to pay over a three year period following the revaluation, as follows:</p> <table border="1" data-bbox="792 651 1355 903"> <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> <p>New burdens funding will be provided by the government.</p>	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	<p>Not applicable</p>
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<p>Heat Network Relief From 1 April 2024</p>	<p>Heat networks take heat or cooling from a central source or sources and deliver it to a variety of different customers such as public buildings, shops, offices, hospitals, universities, and homes.</p> <p>By supplying multiple buildings, they avoid the need for individual boilers or electric heaters in every building.</p>	<p>To be eligible for heat network relief the hereditament must:</p> <ul style="list-style-type: none"> • have their own business rates assessment; • be wholly or mainly used for the purpose of a heat network; and • 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). 	<p>Not applicable</p>																

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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 government website.</p> <p>Exclusions The following hereditaments are not eligible for heat network relief:</p> <ul style="list-style-type: none"> • Those that are wholly or mainly providing heat for a different purpose, for example an industrial process. • 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). <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>This scheme will continue until 31 March 2025.</p>	

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<p>Supporting Small Business Relief 2023/24, 2024/25 & 2025/26</p>	<p>Eligible businesses will be those where the following circumstances apply:</p> <ul style="list-style-type: none"> • The business rates bill is increasing after the revaluation effective from 1 April 2023; and • the business will lose some or all of the small business rate relief or rural rate relief. 	<p>Not applicable</p>	<p>Up to and including the 2025/26 financial year, this relief will limit the annual increase in rates as a result of the 1 April 2023 revaluation to no more than £600 for eligible businesses.</p> <p>If the property becomes entitled to 100% small business rate relief or rural rate relief after 1 April 2023, no supporting small business relief will be applicable.</p> <p>If the entitlement to supporting small business relief ends, e.g. if 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 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 section 47 relief, therefore will be applied after all other mandatory reliefs.</p> <p>Eligible businesses whose rateable values are £51,000 or more will not be liable to pay the supplement (1.3p) to fund small business rate relief.</p> <p>A change of ratepayers will not affect eligibility for this relief, but eligibility will be lost if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club.</p> <p>Local authorities will be fully reimbursed through a section 31 grant.</p> <p>This scheme will end on 31 March 2026.</p>

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Local Newspaper Relief	Local newspapers occupying office space	Not applicable	<p>One discount of £1,500 per newspaper title.</p> <p>Local authorities will be fully reimbursed through a section 31 grant.</p>
Rural Rate Relief From 1 April 2024	Situated in a rural settlement with a population below 3,000	<p>100% mandatory rate relief for:</p> <ul style="list-style-type: none"> • A sole general store, post office or food shop with a rateable value of less than £8,500. • A sole public house or petrol station with a rateable value of less than £12,500. 	<p>Situated within a rural settlement with a population below 3,000.</p> <p>A sole general store, post office, food shop, public house or petrol station with a rateable value exceeding the stated mandatory thresholds, but with a rateable value of up to £16,500, may be considered for up to 100% discretionary rate relief.</p> <p>From 2017/18: 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.</p> <p>For example, a qualifying business with an RV of £18,500 would receive 100% discretionary relief up to £16,500 rateable value and would be required to pay rates on the remaining £2,000 of rateable value.</p>
Charitable relief	<p>Registered charities</p> <p>Registered Community Amateur Sports Clubs</p> <p>Community Interest Companies</p>	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.	<p>Charities and registered Community Amateur Sports Clubs may be considered for up to 20% discretionary rate relief.</p> <p>Community Interest Companies that have charitable aims (and use profits for charitable purposes) may be considered for up to 100% discretionary rate relief.</p>

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Small Business Rate Relief	<p>Businesses with a rateable value of up to £14,999.</p> <p>Businesses with a rateable value between £15,000 and £50,999 will have their business rates calculated using the small business rates multiplier.</p> <p>From 1 April 2024, new legislation provides that most properties with a RV under £51,000 will be calculated with the small business multiplier. This will include properties occupied by charities and unoccupied properties which previously did not qualify.</p>	<p>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 – 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; the bill is calculated using the small business multiplier.</p>	None
Flooding Rate Relief	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).
Unoccupied property rating	Any business.	<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 Council’s website.</p>	None
Hardship Relief	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.