

Public
Key Decision - Yes

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Business Rates – Rural Settlement List

Meeting/Date: Cabinet – 12 December 2022

Executive Portfolio: Cllr S Ferguson – Executive Councillor for Customer Services

Report by: Revenues and Benefits Manager

Ward(s) affected: Farcet / Hemingford Grey / Offord D’Arcy and Offord Cluny

Executive Summary:

The Local Government and Rating Act 1997 requires that each rating authority must compile and maintain a Rural Settlement List comprising settlements with a population of less than 3,000.

The intention of the Rural Settlement List is to allow Huntingdonshire District Council to grant business rates relief to qualifying post offices, village shops, public houses and petrol stations to support rural businesses and communities.

The latest data provided by the County Council on population sizes across the parishes in Huntingdonshire has prompted a review of the current list to ensure it meets legislative criteria.

This has resulted in a proposal to amend the classifications of the parishes of Farcet, Hemingford Grey, Offord D’Arcy and Offord Cluny for the purposes of Business Rates. This will not affect the level of business rates relief in any of the parishes affected.

Recommendation:

The Cabinet is

RECOMMENDED

to approve the changes to Huntingdonshire District Council’s Rural Settlement List effective from 1 April 2023.

1. PURPOSE OF THE REPORT

- 1.1 The Local Government and Rating Act 1997 requires that rating authorities must compile and maintain a list of settlements with a population of less than 3,000, the Rural Settlement List, in order to award rural rate relief to qualifying village shops, post houses, public houses and petrol stations.
- 1.2 Recent population data compiled by Cambridgeshire County Council has prompted a review of the Rural Settlement List to ensure that settlements are classified correctly. This report sets out why changes are being proposed to certain parishes and shows that the impact of these changes will not be detrimental in any way to businesses trading in the rural areas of Huntingdonshire.

2. BACKGROUND

- 2.1 Towns and parishes within Huntingdonshire are all designated as one of three types of settlement:

Urban settlements – population above 3,000

Rural settlements – population below 3,000

Defined settlements – population above 3,000 but the parish has been designated as a rural settlement by defining areas within the parish

A rural settlement does not necessarily have to follow ward or parish boundaries. A defined settlement can be applied by splitting an area based on other characteristics, such as geographical or demographic features.

- 2.2 Rural rate relief is applied to certain types of business within a rural settlement, i.e. with a population of less than 3,000. It applies where the only village shop or post office has a rateable value of up to £8,500 or the only public house or petrol station has a rateable value of up to £12,500. Qualifying businesses are entitled to 50% mandatory relief on their business rates. The Government proposes to increase this to 100% but the legislation has not yet been amended. However, local authorities use their powers to award 50% discretionary relief which is then re-imbursed through a Section 31 grant, which in effect grants 100% relief.
- 2.3 Under the current list, a number of parishes are classified as a defined settlement in order to maximise the number of businesses that benefit from rural rate relief:
- Farcet, Fenstanton, Hemingford Grey, Offord D’Arcy and Offord Cluny, Ramsey Forty Foot, Ramsey Heights, Ramsey Mereside and Ramsey St Mary’s

3. OPTIONS CONSIDERED/ANALYSIS

- 3.1 A review of the classification of all towns and parishes, and in particular the defined settlements, on the current Rural Settlement List has found the following:

Farcet: has a population of less than 3,000 but is currently split into two to enable rural rate relief to be applied to two local pubs in the area. There are now no open pubs, so it is proposed that the parish of Farcet is re-designated as a rural settlement. If the one remaining pub did re-open, it would qualify for rural rate relief.

Hemingford Grey: has a population of over 3,000 and is currently split into two to enable rural rate relief to be awarded to a village shop. There are no longer any businesses that would qualify for rural rate relief so it is proposed that the parish of Hemingford Grey is re-designated as an urban settlement.

Offord D'Arcy and Offord Cluny: has a population of less than 3,000 but is currently split into two to enable rural rate relief to be applied to the two village pubs and shop. One pub is now closed and the rateable values of the remaining pub and village shop are too large for them to receive rural rate relief, so it is proposed that the parish of Offord D'Arcy and Offord Cluny is re-designated as a rural settlement.

- 3.2 It is proposed that there are no changes to the classification of the other defined settlements.
- 3.3 These proposals have no detrimental / financial impact on any of the existing businesses in these parishes but ensures the Rural Settlement List reflects the current population and that rural rate relief continues to be awarded to all qualifying businesses.

4. COMMENTS OF OVERVIEW & SCRUTINY

- 4.1 The Panel discussed the Business Rates Rural Settlement List Report at its meeting on 1st December 2022.
- 4.2 Following an enquiry from Councillor Criswell, the Panel were advised that whilst the list can only be amended once annually, it can be reversed or adapted as circumstances change.
- 4.3 Councillor Shaw questioned how the population figures had been established, citing the specific example of Buckden. The Panel heard that the County Council had provided the figures, with a population of 2,758 being given for Buckden. It was also advised that the 2021 Census figures were still being processed so not yet available.
- 4.4 The report was praised by Councillor Alban whose ward is comprised of villages who all fall within the parameters of the report. Following a question from Councillor Alban about how businesses apply for relief, the Panel heard that the Business Rates team were proactive. The team work closely with businesses to ensure that they receive support that they are entitled to and are signposted to further support as applicable.
- 4.5 Having welcomed the report, the Panel encourage the Cabinet to endorse the recommendations within the report.

5. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

- 5.1 The revised Rural Settlement List will be effective from 1 April 2023. The list will be available for inspection from 1 January 2023, three months before the effective date.

6. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES

- 6.1 Reviewing and maintaining the Rural Settlement List contributes to the Corporate Plan objective of Supporting Local Businesses.

7. CONSULTATION

- 7.1 The Rural Settlement List and application of rural rate relief supports the objective in the Corporate Plan of Supporting Businesses.

8. REASONS FOR THE RECOMMENDED DECISIONS

- 8.1 The proposed amendments to the Rural Settlement List ensures that the classification of urban, rural and defined settlements reflect the current population figures and rural rate relief is being awarded appropriately.

9. LIST OF APPENDICES INCLUDED

Appendix 1 – Proposed Rural Settlement List

Appendix 2 – Proposed Rural Settlement List Map

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