

**Public
Key Decision - Yes**

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Business Rates Discretionary Rate Relief Policy

Meeting/Date: Cabinet – 6 February 2024

Executive Portfolio: Executive Councillor for Customer Services

Report by: Z Warren Council Tax and Business Rates
Manager

Ward(s) affected: All

Executive Summary:

As a Billing Authority, Huntingdonshire District Council (HDC) has the power to set its own Business Rates Discretionary Rate Relief Policy in accordance with Section 47 of the Local Government Finance Act 1988. Provisions within the legislation allow Billing Authorities to award various types of discretionary relief to qualifying local businesses in order to reduce or remove Business Rates liability.

HDC recognises the importance of businesses to the local economy and the contribution that is made to the community by voluntary, charitable and non-profit making organisations.

The award of discretionary rate relief directly supports the corporate priority of forward-thinking economic growth, and the policy look and feel has been updated to make it easier for businesses to understand and therefore access support. The adoption of a formal policy ensures fair and consistent decision making, reducing the risk of legal challenge, which also supports the corporate priority to deliver good, high value-for-money services with good control and compliance with statutory obligations.

If adopted, the policy will come into effect on 1 April 2024.

Recommendation(s):

The Cabinet is

RECOMMENDED

to adopt the Business Rates Discretionary Rate Relief Policy in APPENDIX A, to be effective from 1 April 2024.

1. PURPOSE OF THE REPORT

- 1.1 The Local Government Finance Act 1988 sets out provision for Billing Authorities to determine a Business Rates Discretionary Rate Relief Policy to provide support to local businesses by reducing or removing Business Rates liability for certain periods of time.
- 1.2 Legislative changes require the existing policy to be updated, and this report sets out the changes that have been made.

2. BACKGROUND

- 2.1 The current policy came into force on 1 April 2023 with the aim of setting out the types of relief available to businesses for the duration of the Rating List which comes to an end on 31 March 2026.
- 2.2 The Non-Domestic Rating Act 2023 removed a restriction preventing billing authorities from making a decision to award discretionary relief more than 6 months after the end of the relevant financial year.
- 2.3 Whilst reviewing the policy for the amendment in 2.2, the opportunity has been taken to review the look and feel of the current policy to making it easier for businesses to navigate and therefore access eligible support.

3. KEY IMPACTS

- 3.1 The Non-Domestic Rating (Discretionary Relief) Regulations 1989 required that decisions to award discretionary relief applications must be taken by 30 September of the year following the financial year for which relief was sought.
- 3.2 The Non-domestic Rating Act 2023 has repealed this requirement, allowing Local Authorities discretion in this area.
- 3.3 It would normally be expected that applications for discretionary relief are made as soon as practicable. However, it is acknowledged that there are some instances where this may not be possible, for example, where there are delays with the Valuation Office Agency adding a new hereditament to the rating list.
- 3.4 Therefore, the policy has been updated state that applications should be received by 30th September of the year following the relevant year unless exceptional circumstances apply, such as the example set out above.
- 3.5 Whilst updating the policy for the legislative change, the opportunity has also been taken to review the whole document, resulting in the following changes being made:
 - The previous policy had no cap on the amount of hardship relief that could be awarded to a ratepayer under Section 49. The cap limit of £20,000, unless exceptional circumstances apply, has been introduced under this section to mirror Section 69 relief in the policy,

other peer authorities and allow ratepayers to understand the likely limits pre-application.

- The look and feel of the policy has been updated to make it easier for businesses to navigate and therefore access rates relief
- The requirement for businesses to notify the Council where there are changes in circumstances which may affect eligibility has been made more prominent

3.6 The existing Discretionary Rate Relief Policy is included in APPENDIX B for comparative purposes.

4. COMMENTS OF OVERVIEW & SCRUTINY

4.1 The comments of the relevant Overview and Scrutiny Panel will be included in this section prior to its consideration by the Cabinet.

5. TIMETABLE FOR IMPLEMENTATION

5.1 Annual bills for National Non-Domestic Rates will be processed and issued in March 2024 and the intention is that wherever possible, the bills will reflect the discretionary rate relief applicable.

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

6.1 The policy aligns with the corporate priority of providing good, value for money services with good control and compliance with statutory obligations. The policy has now become more user friendly and easier to understand meaning less avoidable contact.

6.2 The policy also aligns with the corporate priority of forward-thinking economic growth, by supporting local businesses to claim all relief they are entitled to.

7. LEGAL IMPLICATIONS

7.1 The adoption of a formal discretionary rate relief policy ensures fair and consistent decision making and reduces the risk of legal challenge.

7.2 There is no legal implication other than for the policy to be formally determined in accordance with the legislation, to enable delegated officers to access and grant discretionary rate relief as appropriate to assist in qualifying local ratepayers.

- 7.3 Providing discretionary relief to ratepayers is likely to amount to a subsidy. Any relief provided by local authorities will need to comply with the UK's domestic and international subsidy control obligations. Ratepayers of organisations and businesses making an application for any relief under this policy must ensure they are compliant with subsidy allowance amounts.

8. REASONS FOR THE RECOMMENDED DECISIONS

- 8.1 The recommendations are based on ensuring continuing support and fairness to qualifying local ratepayers.

9. LIST OF APPENDICES INCLUDED

Appendix 1 – New Discretionary Rate Relief Policy

Appendix 2 – Previous Discretionary Rate Relief Policy

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