

Non-Domestic Rate Business Growth Discount Policy

Section 47 of the Local Government Finance Act 1988 provides the power to Billing Authorities to allow discretionary rate relief to charities and non-profit making organisations. Since the Localism Act 2011, authorities have had wider powers to allow a discount to other organisations.

The key test in decisions over Localism Act rate relief/discounts is whether the authority is satisfied that allowing a discount is in the interests of its Council Tax payers.

This discount is at the discretion of the Council. It is intended in some cases to offer an incentive for new businesses to locate in the area or for existing businesses to occupy additional premises or expand.

General

The Council will take the following considerations into account when making a decision on entitlement:

- 1 How a business links to the Economic Strategy of Broadland and the Local Enterprise Partnership (LEP).
- 2 Whether the award of a discount would lead to an increase in employment locally.
- 3 Whether a ratepayer may occupy a property which has been unoccupied or out of use for a prolonged period.
- 4 Whether such a discount would lead to other benefits or regeneration locally.
- 5 Whether such a discount would lead to a long term increase in Rateable Value which would not otherwise benefit the District.
- 6 Whether the ratepayer would help to establish a hub to attract other businesses to the area.
- 7 Whether a ratepayer might offer employment initiatives such as apprenticeships, work placements etc.

Operation of the scheme

The decision over entitlement to discount is at the total discretion of the Council.

The level of discount and the duration of assistance is at the sole discretion of the Council.

A discount will only be considered for occupied properties.

Discount will terminate if the occupier vacates and will not transfer to a new occupier. The discount will also terminate if the property is split or merged in the rating list from the effective date of the change.

Any overpaid discount will be payable and recoverable through the rates bill.

In all cases a discount will be for a fixed period not exceeding 12 months.

Decision making

The Head of Finance and Revenue Services as S151 officer in consultation with the Head of Economic Development will make the decision, in consultation with their relevant Portfolio Holders, on whether a discount should be allowed in individual cases. The decision will be communicated to the applicant in writing.

Appeals

The legislation does not lay down an appeal process for cases where a ratepayer is aggrieved by a decision under these discretionary powers. Should an applicant be dissatisfied by the outcome of an application they may direct an appeal in writing stating their reasons in full to the Chief Executive who would make a final decision in discussion with the Leader.

State aid

State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers will amount to State Aid. However Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013)¹.

The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).

To administer De Minimis it is necessary to establish that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid. Note that the threshold only relates to aid provided under the De Minimis Regulations (aid under other exemptions or outside the scope of State Aid is not relevant to the De Minimis calculation).